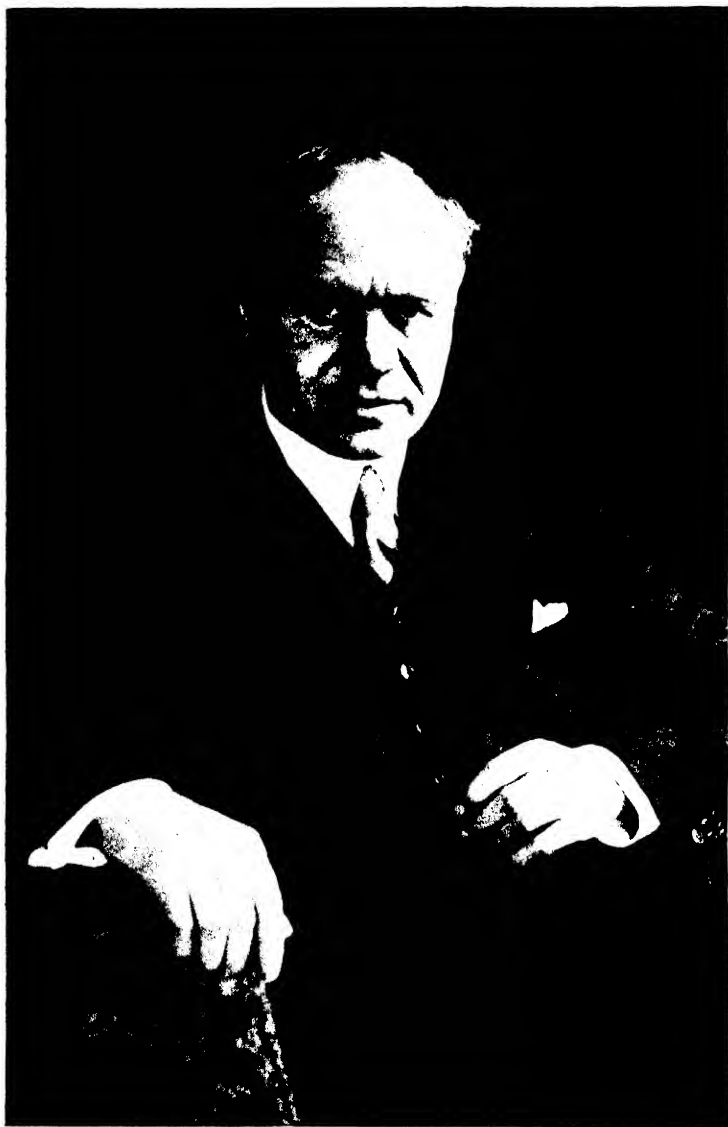




# BEAVERBROOK



LORD BEAVERBROOK IN 1931

# BEAVERBROOK

AN AUTHENTIC BIOGRAPHY  
OF THE  
RIGHT HON. LORD BEAVERBROOK

By  
F. A. MACKENZIE

JARROLD'S *Publishers* LONDON  
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## CORRIGENDA ET ADDENDA

Page 25, line 17. *After "High School" read "and one brother was being trained for the Bar."*

Page 46, line 2. *For "North-east Manchester" read "North-west Manchester."*

Page 72, bottom line. *"R. B." not "H. B."*

Page 103, line 22. *For "Canada and Flanders" read "Canada in Flanders."*

Page 117. *Add at end: "He had already in the summer of 1916 been made a Baronet."*

Page 127, line 14. *For "British" read "British-American."*

Page 164, lines 5, 6. *For "40 per cent" read "handsome dividends."*

Page 173, line 16. *For "Tomson" read "Tonson."*

Page 215, line 11. *For "alone" read "along."*

Page 236, line 5. *For "Mr. William" read "the Hon. Max."*



## PREFACE

**L**ORD BEAVERBROOK is to-day the most discussed figure in British public life. A large and growing section of the nation enthusiastically acclaims him as its leader, and even his political enemies pay tribute to the force, the sincerity, and the fighting methods of the man.

The story of his life reads like a romance. Canadian born, he spent his boyhood in New Brunswick among the descendants of the United Empire Loyalists, to whom faithfulness to Imperial ideals is almost a religion. Penniless at twenty and a millionaire at thirty, he came to England in 1910 and entered British politics. As Member of the House of Commons, peer of the realm, newspaper proprietor in Fleet Street, and, finally, active leader of a new movement for the consolidation of the British Empire, he has taken an ever-growing place in our national and Imperial life.

His bitterest critics must grant him the merit of political consistency. In his first campaign he placed the economic unification of the Empire foremost and refused to obey the directions of his party leaders to keep this issue in the background. He won then. Twenty years later he is fighting the same battle, handicapped in similar fashion, on a national and Empire-wide scale. He will win now.

Hardened and experienced politicians greeted his programme with a storm of ridicule. Their laugh was short-lived and some of them are busy to-day looking for cyclone cellars. Still a young man, as politicians

go, Lord Beaverbrook is moulding a new force which bids fair to re-shape the Empire.

In this unofficial biography, I have tried to show the man himself and the forces and conditions that have fixed his aims and determined his policy.

F. A. M.

LONDON.

# CONTENTS

	PAGE
PREFACE . . . . .	7
I. DISCOVERY . . . . .	13
II. NEW BRUNSWICK'S "CAPTAINS ADVENTUROUS" . . . . .	20
III. SUCCESS . . . . .	30
IV. ASHTON-UNDER-LYNE . . . . .	45
V. BUSINESS AND POLITICS . . . . .	65
VI. BONAR LAW . . . . .	75
VII. IN KHAKI . . . . .	91
VIII. THE "CABINET BREAKER" . . . . .	106
IX. MINISTER OF INFORMATION . . . . .	118
X. IN FLEET STREET . . . . .	139
XI. RIVALS AND FRIENDS . . . . .	148
XII. THE BATTLE OF THE "DAILY EXPRESS" . . . . .	162
XIII. THE TWO MILLION MARK . . . . .	171
XIV. READJUSTMENT . . . . .	175
XV. BALDWIN . . . . .	181
XVI. LAUNCHING THE EMPIRE CRUSADE . . . . .	190
XVII. THE ROAD TO VICTORY . . . . .	202
XVIII. THE IMPERIAL CONFERENCE AND TWO LONDON BY-ELECTIONS . . . . .	216
XIX. SOME PERSONAL CHARACTERISTICS . . . . .	229
XX. TO-DAY AND TO-MORROW . . . . .	238

## APPENDIX

I. SPEECH ON EMPIRE FREE TRADE, HOUSE OF LORDS, NOVEMBER 19TH, 1929 . . . . .	247
II. BROADCAST TALK, LONDON, NOVEMBER 27TH, 1930 . . . . .	271
III. THE TRUCE OF 1931 . . . . .	281



# LIST OF ILLUSTRATIONS

LORD BEAVERBROOK IN 1931 . . . . .	<i>Frontispiece</i>
AN EARLY PHOTOGRAPH OF LORD BEAVERBROOK . . . . .	<small>FACING PAGE</small> 16
NEWCASTLE, NEW BRUNSWICK . . . . .	20
WINTER DAYS IN NEWCASTLE . . . . .	24
AS MAX AITKEN, PRESIDENT OF THE ROYAL SECURITIES CORPORATION . . . . .	38
LORD BEAVERBROOK, <i>circa</i> 1918 . . . . .	104
COVENANTER'S SON—CRUSADER . . . . .	138
ELECTIONEERING UP-TO-DATE, NORTH NORFOLK, 1930 . . . . .	148
"LOW'S" FIRST BEAVERBROOK CARTOON . . . . .	160
LADY BEAVERBROOK . . . . .	174
"ASSERTING HIS AUTHORITY." CARTOON BY "LOW" . . . . .	198
AT THE NORTH NORFOLK ELECTION, 1930 . . . . .	210
"HIS LORDSHIP." CARTOON BY "MIKE" . . . . .	214
PERSUADING THE SOUTH PADDINGTON ELECTORS . . . . .	218
"ADVENTURES OF SANTA CLAUS AT LORD BEAVERBROOK'S." CARTOON BY "LOW" . . . . .	224
THE HON. MAX AITKEN, 1930 . . . . .	236





# BEAVERBROOK

## I

### DISCOVERY

ONE morning early in December 1910 I was at my desk in Printing House Square, preparing for the next issue of the weekly edition of *The Times*. The advertisement manager had been in, demanding more space; the circulation chart showed a satisfactory rise over last year's figure, and the weekly expenses sheet lying before me was not above the average.

All would have been well, but for one thing. The General Election results were accumulating, and, despite the efforts of sub-editors in an adjoining room, there would be a hard struggle that night to find space for all that we ought to print. Rosebery had issued a manifesto against the Liberal Government and had justified his *volte face* by declaring that if a man professed exactly the same things at sixty as he did at twenty, having learnt nothing, "I say unhesitatingly, that man is an ass." Bonar Law had been defeated in a gallant attempt to recapture North-west Manchester. Asquith had recommitted Liberalism to Home Rule and had threatened the House of Lords with divers pains and penalties should it prove recalcitrant. Churchill, then a Liberal, had been refused a hearing at Lincoln. One candidate at South Manchester had mistaken the hour for handing in his nomination papers

and had given the other side a walk-over. A young Scotch-Canadian had relieved the tale of Unionist disaster by a somewhat remarkable victory in a South Lancashire borough.

I had got this far when my telephone bell began ringing and I turned to the instrument at my side, to hear Lord Northcliffe's voice. "Is your paper through yet? Then let Byas<sup>1</sup> finish it. I want you to go to Manchester and see a very remarkable young Canadian who has captured Ashton-under-Lyne for the Unionists. His name is Aitken, A-i-t-k-e-n. He is Bonar Law's friend and he will be a big new figure in British politics. He is staying at the 'Midland Grand.' Send him a wire and arrange an appointment; drop everything else and go. Give him a 'page four' in the *Mail*."

The Chief had spoken! In those days, a "page four" in the *Daily Mail*, a column article on the editorial page, was the very accolade of publicity. My telegram to Mr. Aitken brought a reply fixing an appointment for ten o'clock next morning. That suited me very well: I had some scruple about imposing a double task on even so willing and able a colleague as Mr. Byas, but by working straight on until 2 a.m. I could finish most of my Wednesday's tasks, see a large part of my paper through, dictate a London letter of nearly three thousand words and catch a night train that would land me in Manchester in ample time. (Newspaper men really *work*, despite the popular impression to the contrary.)

<sup>1</sup> Mr. H. F. Byas, afterwards correspondent of *The Times* and *The New York Times* in Japan.

Once, no editor would have thought of dropping his work to rush off and interview a 'prentice politician in the provinces, and no proprietor would have thought of asking him to do it. But Northcliffe had made an end of such limitations. At the height of his power he himself was always ready to undertake the task of reporter, sub-editor or leader writer, if need arose, and he never hesitated to call on the men under him to do the same. I was Canadian born ; I had recently been in Canada ; therefore I was better fitted to see this young Canadian, Aitken, than anyone else available.

Aitken ? The name was unfamiliar to me and I could not recall having heard it before that morning. The proofs lying on my desk gave some information. Mr. Aitken had captured Ashton-under-Lyne, a Liberal seat, and had proved himself a hard and successful fighter against the fiercest opposition. There was a paragraph about him in *Who's Who in the House* :

" Mr. William Max Aitken is thirty-one years of age, was born in New Brunswick, and is the son of a Presbyterian minister. Mr. Aitken has had a successful business career, and is reputed to be a millionaire. He is connected with the Standard Ideal Company, Port Hope, which controls the cast-iron trade of Canada, and he is interested in a number of other concerns."

A telegram from Toronto told of the fine response that his victory had aroused in the Dominion. " I feel proud that I am a Britisher," a native-born Canadian M.P. was reported to have said. " What other country in the world except England could take a complete

stranger and elect him to the Mother of Parliaments ? But after all there is reason for it. Aitken is one of the breed."

A wise interviewer always endeavours to discover something about his subject before meeting him, and so, at odd moments during the day, I 'phoned various Canadian friends to ask what they could tell me about this new-comer. I quickly discovered that though I knew nothing about him, everyone else in the Canadian colony in London did. "He is the biggest young business organizer in Montreal," one friend told me. "He has been behind most of the chief mergers. Hadn't a shilling when he was twenty, was managing director of a million dollar trust company when he was twenty-six and a millionaire himself by the time he was thirty."

"A dollar millionaire ?" I queried.

"No. Pounds, and then some ! You'll like him. He has the shrewdest brain and keenest wit of any of the coming men, and he really believes in the Empire."

Another man who had been at Ashton-under-Lyne gave me a somewhat confused account of what had happened there. The fight seemed as hopeless as could be desired by the most quixotic seeker for desperate adventure. The Liberal majority was not large but the Unionist ranks were divided and the machinery working badly. There had been a dispute within the party over the resignation of a former candidate. Even a strong local man would have had a very hard fight, but when it was learned that an unknown Canadian was coming the Liberals sent up a shout of laughter. "We want no foreigner," wrote the customary "Patriot" in the



AN EARLY PHOTOGRAPH OF LORD BEAVERBROOK



local press. "A Lancashire man for a Lancashire seat."

Aitken appeared on the scene ten days before the poll, and began by defying tradition. The Conservative leaders had agreed to put tariff reform in the background, but he forced it in the front of his programme. He advocated and defended taxation of food-stuffs coming from outside the Empire, and to many even of his warmest admirers this seemed political suicide. He organised his canvassing on business lines. Some of the biggest Conservative statesmen came because of their friendship for him. Bonar Law made his only pause in his Manchester campaign to speak for him. Freddy Smith swept the place with his eloquence. "It wasn't an election," said my friend. "It was a storming party. The Liberals said it was a circus. One day they were sure of victory and full of pity for the poor 'foreigner.' Three days later they were in a panic, and before they quite realized what had happened, they were driven out."

. . . . .

Interviewing—apart from the mechanical task of the young reporter who comes to you with note-book and pencil and half a dozen questions—divides itself into two parts. One's first task is to set one's subject at ease, and convince him that you are not seeking to force him into indiscretions, but are anxious to understand his point of view and present it fairly. But the more difficult part of one's work is to appreciate the man himself. It is the impression of individual character behind the spoken words that one must seek to convey.



Next morning, as we talked of many things in a sitting-room in Manchester, it was Max Aitken himself I was studying. He was physically tired, for the party machine had summoned him, a successful candidate, to come to the help of other candidates, in constituencies yet unpolled. Despite his brown, sun-burnt skin, his slight frame did not seem to be any too robust. He was full of nervous energy, and his strong lips, big, speaking eyes, and broad forehead—like that of a master musician—registered themselves immediately on my mind. Here was a face that would lend itself readily to cartoonist and caricaturist, a real asset for any public man.

My "potted" biography had described him as a reputed millionaire, obviously one of the youngest self-made millionaires of his time. Interviewers meet millionaires galore, and we quickly learn to divide them into two classes, first the men whose one claim to attention is that they ARE millionaires, and then the men whose millions are merely one part of their equipment in the battle for existence. With Max Aitken, I never, after the first two minutes, thought of his wealth. There were so many other more interesting sides to the man.

What impressed me most was his dynamic force. He was tremendously in earnest. Party did not seem to count for much; with him, it was "Empire first," and Empire all the time. Let the Empire come together; let the Empire keep together. He was intensely alive, and conveyed a sense of dominating vitality. The only other men known to me who could compare in

this respect were Theodore Roosevelt, Northcliffe, and old General Booth.

Alongside this intensity ran another vein, a whimsicality that peeped out as though it could not be wholly suppressed. Here was a man, I felt, who in his most serious moments could laugh at his own seriousness, look at himself as though from the outside and even jibe at his own enthusiasms. He possessed a sense of humour, a rare gift in a newly-rich man planning a political career.

I return to London convinced that a much-needed Imperial leader of the future had been found. "This young man from New Brunswick stands for a new type in Parliament," I wrote, perhaps a trifle flamboyantly, but certainly in all sincerity. "Here, in Mr. Max Aitken, we have a new figure in English politics. His campaign of Imperialism, efficiency and social reform will not be confined to Ashton. It is not without significance that one of the most striking victories of the campaign has been won by a new-comer from overseas, who looks on our problems and opportunities with the fresh and broad vision of the illimitable West."

## II

### NEW BRUNSWICK'S "CAPTAINS ADVENTUROUS"

**W**ILLIAM MAXWELL AITKEN is a son of New Brunswick, probably the most fiercely patriotic province in the British Empire. He was born at Vaughan, a village in Northern Ontario, on May 25th, 1879, but his father, a Presbyterian Minister, a graduate of Edinburgh University, moved to Newcastle, New Brunswick, when Max was very young, and it was there that he spent the most formative years of his life. New Brunswick claims him for its own.

Canada starts, for the average visitor from Europe, with the heights of Quebec and finishes with Edmonton to the north and Victoria to the west. The vast districts beyond these limits are regarded as forest wildernesses or frozen wastes. Yet it is in eastern Canada that the Dominion, as we know it to-day, was really born, and it is the east and north that have seen the most striking industrial developments since the Great War.

The province of New Brunswick played a high and honourable part in the early history of Canada. In New Brunswick, the battle between French and British for supremacy was fought out generation after generation to a finish. When that was settled, an even more vital struggle arose, for here was one of the rallying places of Empire loyalists in the War of Independence. When that war was over, many of them found refuge here.

The people of New Brunswick breathe from child-



NEWCASTLE, NEW BRUNSWICK  
Lord Beaverbrook's home town.

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hood the atmosphere of Empire loyalty, and at every opportunity they have backed their belief with money and men. The youths of New Brunswick were among the first to hasten to volunteer when the Boer War came. In the Great War the New Brunswick battalions proved themselves again and again worthy of their past history.

Here, too, is a land that breeds strong men. It is mostly forest with navigable waterways opening it up from the coast to the far interior. Its climate runs to extremes, from twenty below zero in winter to great heat in summer. Its sons are, by natural surroundings and by choice, explorers, pioneers, and adventurers. Not for them the peaceful tilling of the soil. They are lumbermen, builders of ships, sailors, miners, and hunters. Their coast towns are the home of many deep-sea fishermen, who find in the Atlantic their battle-ground, their living and, often enough, their grave. St. John has its “ captains adventurous,” worthy to rank with the finest masters of ships that the New England coast can produce.

This is one part of the Empire where the population is almost entirely of British descent. There are few immigrants, and I judge that immigrants are not particularly sought after. A prosperous, united, independent, and democratic province which has produced some of the great leaders of New Canada—that is New Brunswick.

Newcastle, Max Aitken’s childhood home, is a progressive and forthright town of about three thousand people on the piles of the Maramichi River, a town which prides itself to-day on its good civic government.

The Rev. William Aitken was a minister with a large family and limited means, a fiery evangelist and a forceful preacher. Max was his sixth son. Simple living was of necessity the order of the day in the Aitken home.

Yet, to be the son of a Canadian Presbyterian minister meant then, as it means to-day, very much. The Aitken home may not have been a home of luxury, but it did provide some things that count for much more than soft living—discipline, a keen intellectual training, and experience in endurance.

To be the son of the manse signified that one was the son of a scholar, and, in its old-fashioned meaning, a gentleman. In such a home, youth was brought up in an atmosphere where great philosophic theories were debated and understood. The boys were steeped in the shorter catechism of the Presbyterian Church, and the metrical version of the Psalms was their supreme poetry. Calvinism is a stern creed, maybe, little to the taste of our softer times. But it makes men. In the Newcastle home predestination, fore-ordination and other matters of high concern were debated by elders and earnest churchmen as living issues. Religion was part of the warp and woof of life.

Why, it may be asked, do I emphasize this? I do so more particularly because the atmosphere of the Newcastle manse was, thirty years later, to affect London journalism. When Max Aitken, then Lord Beaverbrook, began to take an active part in the life of Fleet Street, his papers started to give a more prominent place to religion than the Press had hitherto done. Up to

now, newspapers had in the main confined themselves to religion as a matter of news. In the columns of the *Daily Express* and the *Sunday Express* we began to look for and find authoritative articles by great theologians and thinkers discussing the basic authority and scope of religion. The very phraseology of his early experience crops out still. Take, for example, when, forty years afterwards, Lord Beaverbrook was publicly discussing Mr. Baldwin's refusal to go all the way with him: "Mr. Baldwin," he said, "is the champion of all backsliders. We believe we have brought him to grace; we lift up our voices in a hymn of rejoicing; and we have hardly got through the first line of it before we see him crawling down the aisle again."

Max Aitken, like almost every other boy in the town, went to the public school, the equivalent of the public elementary school in England. This was no hardship. It is one of the fine things in the life of most Canadian and American communities that the children of all classes do come together in this way. There were adventures galore awaiting youth, expeditions in the woods in summer-time, still better in the autumn when the maple syrup was tapped. This was the time when the hunters, amateur and professional, set out, and when strangers arrived from distant parts to make their way to the game preserves. In the winter there were snow and ice and only a Canadian boy knows to the full all the fun and sport that winter weather brings in its wake. There were sailors coming in from many parts, and in spring-time the lumber-jacks brought down their perilous rafts by riverway.



Max Aitken was poor. "My own education," he says,<sup>1</sup> "was of a most rudimentary description. It will be difficult for the modern English mind to grasp the parish of Newcastle, New Brunswick, in the 'eighties—sparse patches of cultivation surrounded by the virgin forest and broken by the rush of an immense river. For half the year the land is in the iron grip of snow and frost, and the Miramichi is frozen right down to its estuary—so that 'the rain is turned to a white dust, and the sea to a great green stone.' It was the seasons which decided my compulsory education. In the winter I attended school because it was warm inside, and in the summer I spent my time in the woods because it was warm outside."

He was no milksop. His old schoolmaster, Dr. Yorston, declares that he used the strap on him more often than on any other boy in the school. "The wildest imp of mischief that I ever knew," he once described him, "but a born leader of men from the day he left his cradle."

He once told an audience of London newsagents that as a boy he made money by selling newspapers, and earned his first wage by carrying parcels from a newspaper office. To sell papers does not mean quite the same thing in a small eastern township as it would in England. Every kind of boy takes it as a matter of course to earn pocket-money, if he needs it, by distributing the local paper, or obtaining subscribers for the *Saturday Evening Post*. But Max did more than this.

<sup>1</sup> *Success*, by Lord Beaverbrook, published by Stanley Paul & Co., London. Price 2s.



WINTER DAYS IN NEWCASTLE

*Second from the left :* Max Aitken ; *to the right :* Mr. Howard Williston, in the doorway : Dr. F. B. Yorsten (Aitken's schoolmaster), in the centre.



“ The first farthing I ever made in my life,” he once said, “ was made in selling one cent newspapers in the little town of Newcastle, in New Brunswick. Afterwards I consolidated the whole newspaper distribution in the town, but was not satisfied. I felt I could do better. I became a newspaper publisher. I was the publisher and sole proprietor of a paper, *The Leader*. I also set up the type. I stood at the case, and could do so now but for those new-fangled machines. Not only that, but I ran the printing press, and I did it not by touching a button, but by turning a handle in the same way as you turn a mangle. I did everything but distribute the type after it had been used. That I would never do. It was too boring.”

The real pull of poverty came when public school days were over. Normally the minister's son might have expected to go to the High School. Other brothers were being trained for professions, one of them for the Bar. But there was no money to spare for college for Max, so he became a clerk in the office of a famous local character, Lemuel John Tweedy, lawyer and politician. Mr. Tweedy was a King's Counsellor, a leading figure in the courts and a politician who had known victory and defeat, but had now won secure place. At that time he was not only the foremost lawyer of New Brunswick, but was also Surveyor-General, head of the Crown Department, and well on his way to the Premiership, to which he was elected a few years later. Seven years afterwards he became Lieutenant-Governor of the Province.

Judge Tweedy had as his junior partner a remark-

able and forceful young man in the early 'twenties by name Richard Bedford Bennett. We who knew him in his younger days remember him as one whose enthusiasm, vigour and frankness carried all before him. He was eight years Max Aitken's senior, a High School boy and a college graduate. He made no secret of his intention to rise to the top in politics and his eloquence and personal charm already gave every indication of success.

Richard Bennett was not satisfied with the prospects of life in New Brunswick, even as the partner of so distinguished a man as Tweedy. His eyes turned to the West. In the city of Calgary was another famous lawyer politician, Senator Lougheed, who had moved to the North-West Territories from Toronto in 1883, and had accumulated a fortune and a reputation in the growing new West. Senator Lougheed was losing his partner, a Mr. McCarter, and invited Bennett to join him. The *Alberta Tribune* of January 30th, 1897, contained an obscurely placed paragraph telling that "R. B. Bennett, barrister, Chatham, N.B., has moved to Calgary to join one of our legal firms." Little did the editor realize that he was announcing the coming of Canada's future Prime Minister. Bennett invited Aitken, now a lad of eighteen, to go west with him, and in due course Aitken was installed as law clerk in the offices of Lougheed and Bennett on Stephen Avenue.

Those who know Calgary to-day as a great business and manufacturing city of over one hundred thousand people, with its two million dollar stores, its beautiful avenues, its five million dollar oil refinery, its great

water-power development, fine newspapers, and intense concentration upon money-making, would not have recognized the Calgary of 1897. Life went easily then.

" It was truly a delightful place in which to live," said Aitken many years afterwards. " No man was in a hurry. Pleasure always took precedence over business, and the prevailing motto was, ' Never do anything to-day that can be done to-morrow.' "

The city was still the centre of the ranching industry, surrounded by vast cattle and horse reserves, counting their acres in many cases by the score of thousands, where owners lived in great style. There were numerous Indian tribes around, Black Feet, Bloods, Pignons, Sarsees, Stonies and Crees. Their chiefs were men at whose names a former generation trembled, Running Rabbit and White Pup of the Black Feet, Bull's Head of the Sarsees and Mr. Jim of the Crees. Cowboys came into the city from the ranches, dressed in picturesque headgear, ornamental jackets and leather-shielded breeches such as we now see on the films. The North West Mounted Police in their scarlet coats, the smartest-looking, keenest and most efficient soldier-constabulary of our age, lent a still more significant element to the scene.

In place of the luxurious modern stores of to-day, there were one-storied shacks, placed well back from the roadway, leaving abundant room to extend the premises by building forward when necessary. Where the smooth broad avenues now run there were wooden footwalks, down which even the experienced traveller

would sometimes slip in the grease-like sand which blew in from the desert storms, sliding incontinently into the ditch at the side. The air of the prairies invigorated everyone; the sight of the snow-clad peaks of the Rockies eighty miles away told of sport and adventure awaiting men on the heights.

Messrs. Lougheed & Bennett were the outstanding legal firm of the city and for far beyond it. They represented some of the leading financial institutions of Canada, like the Bank of Montreal and the Hudson Bay Company. Their advertisement of themselves told of their position :

**LOUGHEED & BENNETT**

*Barristers, Solicitors, etc.*

Offices : STEPHEN AVENUE, CALGARY.

Solicitors for

The Bank of Montreal

The Hudson Bay Company

The Birkbeck Investment Co.

The Great West Life Assurance Co.

Ontario Loan & Debenture Co.

Company and private funds to loan.

---

HON. J. A. LOUGHEED, Q.C.

R. B. BENNETT, LL.B.

Mr. Bennett made an immediate impression on the life of the people of Calgary. His work at the courts and in real estate was only one part of his activities. Before many months, the citizens found themselves calling on him to voice their wants at many a public gathering, whether it was for such a vital issue as a waggon road

to the Peace river, or a question of immediate civic improvement. In 1898 Mr. Bennett was chosen a member of the territorial Legislature and about the same time Max Aitken quitted the law and left Calgary.

He was nineteen years old now, and he saw no prospects in a lawyer's office. Old Calgary citizens still tell tales, probably more or less fabulous, of his different attempts to win success. He returned to St. John and tackled insurance, trying to make good there, but insurance proved a very poor prospect. For a time things looked black for him, and when he was twenty years old he had not a dollar saved, and was often hard pushed to pay his way. But he had been studying life and learning to handle men, and when opportunity came to him, he was to prove himself able to seize it.



### III

## SUCCESS

**A**T the age of twenty Max Aitken was poor, scarcely able to earn a bare living, and seemingly without prospects. At thirty he was a millionaire, widely recognized as, in many ways, the most remarkable young man in Canada. How did the change come about?

The outward facts are soon told. In 1899, Aitken became secretary to John P. Stairs, senior partner of the firm of William Stairs, Son & Morrow, of Halifax, Nova Scotia. Mr. Stairs, an old man, had many big financial and commercial interests in eastern Canada and elsewhere. He was an active member of a little group of Atlantic coast financiers, President of the Union Bank of Halifax, and President of the Nova Scotia Steel Company, a ten million dollar enterprise in the north-east of that province. The Stairs are a distinguished Nova Scotian family. John P. was among other things leader of the Conservative party in the province, saving it from utter collapse through many difficult years against a triumphant and almost overwhelming Liberal party in power.

The old man and his young secretary became great friends. Mr. Stairs discovered in his assistant financial gifts hitherto unsuspected. Aitken demonstrated that he possessed the gift of salesmanship and the trading instinct, a sense of the real value of any article. He had cultivated this gift. "When I was a boy," he said, "I knew the value in exchange of every marble in my village, and this practice of valuing became a subconscious habit

until, so long as I remained in business, I always had an intuitive perception of the real and not the face value of any article."

Max Aitken had "a way with him." He could bring rivals together and make them friends. Able and willing to work tremendously hard at mastering details, he revealed prevision and very sound judgment. Thus it was that when the Union Bank of Halifax, in which Mr. Stairs was specially interested, and the Commercial Bank of Windsor were amalgamated, it was Aitken who carried through the negotiations. Aitken was, in a very short time, much more than a secretary, and when it was found that the Nova Scotia Steel Company needed a readjustment of its finances it was he, too, who managed it.

Success breeds success. A group of moneyed men associated with Mr. Stairs in many of his enterprises, W. B. Ross, K.C., Charles Archibald, B. F. Pearson K.C., and others, shared Mr. Stairs' confidence in this young man's qualities. They formed the Royal Securities Corporation, a holding and investment company, and made Aitken, now in the mid-twenties, the managing director. Lord Beaverbrook has acknowledged on many occasions in the most emphatic terms his great indebtedness to John P. Stairs for giving him his opportunity.

In the early years of this century electric traction was a favourite form of development and investment. The transformation of street car services to electric in American cities had made many men wealthy, not alone by the direct returns from the traction services, but also by the

great profits to be reaped from the increase in land values owing to extension of city limits, beyond what was possible with horse services. In Canada and the United States most of the possible franchises had already been secured. In Europe a large proportion had also been pre-empted.

Aitken and his associates went further afield, to the West Indies. He spent some time in Trinidad, Porto Rico, and Demerara, establishing companies and supervising their working. What he saw there helped to crystallize ideas of the desirability of Imperial economic unity which were already floating in his mind. In the British West Indies, development was largely stagnant. Islands rich in every natural gift were making only slow progress because of the uncertainty of their markets. In the neighbouring territories of Cuba and Porto Rico, which had come under American protection following the war with Spain, and had secured special tariff relations with the United States, he found conditions very different. There the people, with an assured market for their products in the United States, were reaping great prosperity, enabling them to make large purchases of machinery and manufactured goods from the United States, which entered their markets on special tariff terms.

The British West Indies, on the other hand, were practically shut out of the American market and their purchases from British manufacturers were only a trifle of what they might have been. Why, Aitken asked himself, could not special tariff relations be established between the West Indies and

Great Britain, as between Cuba and Porto Rico and the United States ?

On January 30th, 1906, came a very important event in Aitken's life, his marriage to Miss Gladys Drury. The Drurys, who had considerable connections in New Brunswick as well as in Nova Scotia, are a family largely connected with the Royal Navy and with the Canadian Army. Lieutenant-Colonel (later General) Drury, the bride's father, had joined the Canadian Artillery as lieutenant from St. John, New Brunswick, in 1874, and had risen step by step to front rank in the service. As a young officer he was a member of the expedition under Sir Garnet Wolseley which crushed the North-West Rebellion. In 1900 he saw active service in South Africa, commanding a section of the Canadian contingent there in some important engagements.

The marriage was briefly described in the *Halifax Morning Chronicle* :

"The marriage of Miss Gladys, daughter of Lieut.-Col. and Mrs. Drury, and W. M. Aitken, Managing Director of the Royal Securities, took place Monday evening at the Garrison Chapel. It was a very quiet wedding, only 45 invitations having been issued. At the Garrison Chapel the bride wore a going-away gown of hunters' green and green chiffon hat, and carried a bouquet of white roses. She was attended by her sister, Miss Edith Drury. The groomsman was James A. Stairs of New Glasgow, eldest son of the late John P. Stairs. The ushers were S. Arnold Finley, architect, of Montreal, and G. W. Farrell. The ceremony was performed by Rev. Canon Crawford, assisted by Rev. J. B. C. Murphy. Mrs. Aitken, mother of Mr. Aitken, and

Traven Aitken, his brother, barrister, of Newcastle, were among those present. Among others were W. D. Ross, of Toronto, Manager of the Metropolitan Bank, and Heber Vroom, of St. John. The wedding was followed by a reception at the residence of the Rev. Canon and Mrs. Crawford, Queen Street, after which Mr. and Mrs. Aitken left for the wedding trip, which will extend over three months and will include visits to Cuba and Mexico, and the Continent of Europe. The young couple were the recipients of many wedding gifts, including one of Maltese lace from Major-General Sir Charles and Lady Parsons."

In his marriage, Max Aitken was exceedingly fortunate. Mrs. Aitken revealed from the first qualities of gracious kindness which won her friends everywhere. Her husband, with the supreme self-confidence bred of early great success, was perhaps at this time apt to be somewhat overassertive in maintaining his own views and in insisting on his own ways in the conduct of affairs. Mrs. Aitken earned goodwill for him and for herself by her charm and tact. Soon afterwards, in the bigger field of Montreal and later as Lady Beaverbrook in the still wider circle of English Society, she was to show the same qualities. All who knew her loved her.

After a prolonged honeymoon, Aitken returned to Halifax, but his mind was already planning further flights. Montreal is the financial centre of Canada. Here are the headquarters of the great banks, and the homes of the big financiers who largely control Canadian developments. The Montreal financial world had at

this time the reputation of being almost a closed circle, strictly guarded by a little group of Scotch-Canadian millionaires, mostly old men, who, holding in their hands the chief banks, the railways, and the leading investment trusts, could do almost as they pleased.

To establish oneself in Montreal as an independent financial force required resource, abundant reserves, courage and daring. Aitken had one great factor in his favour. He was not a speculator, but a developer of industry. He did not "play the markets." He had won his way by consolidations and reorganizations and by enlarging and improving industrial enterprises. He settled in Montreal at the age of twenty-seven, and transferred the chief offices of the Royal Securities Corporation there.

These were boom days in Canada. Fresh population was pouring in and being rapidly absorbed. The New West was in process of almost magical transformation. New cities were being built on borrowed money, surpassing, in their beautiful public and private buildings, any young cities in previous history. Strangers who had visited Saskatoon a few years before, then a ford by a riverway, marvelled now at its palatial splendour. They paused at Regina to discover a provincial parliament house exceeding in luxury the Mother of Parliaments in Westminster. In the prairie provinces, railways were being built and extended at feverish speed. Every industry that produced anything needed for the material growth of the land was taxed to its utmost to meet the demands on it. British and American financiers were investing in Canadian enterprises in wholesale fashion.

Land worth a dollar a foot one year might well be worth a hundred times as much twelve months later. The air was full of stories of men who had quickly acquired wealth, of a London policeman who, in four or five years, had accumulated a fortune; of a country farmer who sold his cow and bought land on margin, and within five years had reached the \$100,000 class, and so on.

Aitken rode on the crest of the boom. His friends believed in him and backed him. Toronto capitalists came in with their support. The financial position that he had obtained before he was twenty-seven can best be shown by his flotation in 1906 of the Porto Rico Railway Co. In co-operation with the famous electrical engineering firm of J. G. White & Co., of New York, he developed a project, including the construction of a power plant at Comerio Falls, near San Juan, the electrification and extension of the tramway system in San Juan, the building of a railway 17½ miles long to Caguas in the interior of the island, and the supply of light and power to a great part of the island. He formed a company with a capital of \$3,000,000, raised the money, and carried through the enterprise to a finish, not merely to the financial success of the promoters, but to the great benefit of the people of the island.

Montreal gave Aitken a still wider sphere of operation. Before he had been many months here he had firmly established himself as a man who could carry out great transactions successfully, who could reconcile conflicting interests, and who could obtain the support of international finance for plans which he sponsored. Options of all kinds were offered to him. A mere list of some of

the big mergers in which he was the dominating figure during the next three years gives the best idea of his activities. He floated, or was on the board of, the Canadian Power and Calgary Power Companies, the Standard Ideal Co. of Port Hope, the Robb Engineering Co., the Cape Breton Trust Co., the Montreal Trust and Deposit Co., the Camaguey Electric and Traction Co., the Demerara Electric Co., the Trinidad Electric Co., and others. He was Vice-President of the Porto Rico Co., and now President of the Royal Securities Corporation. He amalgamated three of the largest car companies in Canada, the Rhodes Curry Co., the Dominion Car and Foundry Co., and the Canadian Car Co., into the Canadian Car and Foundry Co., with a capital of \$20,000,000. The Western Canadian Power Co., a \$9,000,000 concern, floated in May 1909, acquired the Slave Lake Power Co., Ltd., and obtained a number of very valuable municipal franchises in the city of Vancouver. The Steel Co. of Canada, floated in June 1910 with a nominal capital of \$35,000,000, amalgamated the Hamilton Steel and Iron Co., Montreal Rolling Mills Co., Canada Screw Co., Dominion Wire Manufacturing Co., and Canadian Nut and Bolt Co. Max Aitken was identified with nearly all the large consolidations that were carried out in Canada at that time. Companies with Aitken's name behind them were heavily subscribed by the general public, one flotation of over a million dollars being taken up within half an hour of issue.

Some of these companies and mergers had capital running into seven and eight figures. The newspapers



and business magazines now had Aitken marked as not merely a coming man, but as one who had already arrived. "One of the most remarkable young men Canada has ever produced," was the description of one newspaper. "He is the wizard of Canadian promoters, who, even before he has touched the thirty-year mark, has perhaps more consolidations to his credit than any other Canadian capitalist." "Courageous, confident, insistent, and yet a man of impulse—in the forefront of many of the biggest financial and industrial enterprises in this country," said another. The *Canadian Courier* commented shrewdly, "In all probability he never expected when he came to Montreal to do half the things he has accomplished. Finance is second nature to Aitken."

When a man succeeds so rapidly and on such a scale, his methods of doing business are naturally debated by his friends and associates. All who came in contact with Aitken in these early days were agreed on two or three points. First he made careful preparations before beginning a new enterprise, secured as possible strategic positions ahead, carefully studied details and employed experts freely in checking his data.

The next point on which there was common agreement was that he was constantly springing surprises on his associates, devising new methods and engineering new departures. When they thought that they had established a safe routine method, he would propose and carry some startling new ideas. "You can never tell what Aitken will do next," they said. He himself made no secret of this. "Nothing is so bad as



AS MAX AITKEN, PRESIDENT OF THE ROYAL SECURITIES CORPORATION



consistency," he declared. "The man who is consistent must be out of touch with reality." Here he was of course referring to consistency in methods, not to consistency in fundamental plans and purposes, quite a different matter.

He was amazingly quick in adapting schemes to circumstances. If conditions unexpectedly changed he would at once revise and readjust. He would instantly scrap old plans and formulate new to meet the emergency.

The third point generally agreed was that when he had carried a scheme through he refused to concern himself further with the everyday details of administration. He would help to choose a good man, place him in charge, and leave him in charge. So far as he was concerned, the thing was over. "I am a builder," he once said. "When the building is finished, I do not stay in it. I move on to build another." A contemporary described this characteristic : "One of the things about Mr. Aitken is that while he has been identified very largely with some of the biggest financial transactions that have ever been carried out in Canada, he never ties himself down to any one of them, but secures for each and every one such a complete organization that it is never necessary for him to give more than a passing attention to them all. His career, short though it has been up to the present, has shown that he is doing things all the time, and is only happiest when he is busiest."

A dozen years later, when Max Aitken of Montreal had become Lord Beaverbrook, he wrote a shrewd and

stimulating little book on success, in which he set out to answer from his own experience "what is success in the affairs of the world, how it is attained, and how it can be enjoyed." He laid down the axiom that there is in the British Empire to-day no bar to success which resolution cannot break. "The young clerk has the key of success in his pocket if he has the courage and the ability to turn the lock which leads to the temple of success. The wide world of business and finance is open to him. . . . The struggle is too intense and the battle too world-wide to prevent individual efficiency playing a bigger and a better rôle."

I should like to summarize his rules of success here, but it would not be altogether fair to do so. They ought to be read by every young man in the book itself.<sup>1</sup>

Yet I may be allowed to quote a few leading sentences :

"What are the qualities that make for success? They are three : Judgment, Industry and Health, and perhaps the greatest of these is judgment.

"Judgment can be improved, industry can be acquired, health can be attained by those who will take the trouble.

"Health is the foundation of both judgment and industry—and therefore of success.

"From the point of view of real success in affairs, the gambler is doomed in advance."

Not only was he now recognized as the outstanding figure among the younger capitalists, but the older groups were closely regarding his progress. The Bank of Montreal, the most powerful financial institution in

<sup>1</sup> *Success*, by Lord Beaverbrook. Stanley Paul and Co., London.

Canada, asked Aitken to look into the affairs of three cement companies. He quickly saw that here was an opportunity to carry out the greatest merger in Canadian industrial history. The demand for cement was beyond the supply, and the industry was protected by a substantial tariff. The cement companies, under diverse and scattered management, could effect substantial economies, particularly in overhead charges and distribution, by unifying their operations.

Aitken secured control of some of the key companies and then revealed his plans for a merger. The Canada Cement Company was incorporated under the Canadian Companies Act with an authorized capital, including the mortgage issue, of \$38,000,000. Everything was done to ensure the success of the flotation. Sir Sandford Fleming, the distinguished engineer of the Canadian Pacific Railway Company, became Hon. President of the new company. The London market absorbed part of the capital through Chaplin, Milne, Grenfell & Co. The successful flotation of this company was regarded as the crowning achievement of Aitken's career. It was no secret that the transaction had been very profitable to him personally. More than this, the old-fashioned and almost all-powerful financial groups were now beckoning him their way.

Then came a quarrel. Sir Sandford Fleming demanded that the merger should buy up a Western cement company, the Exshaw, of which he was President. Aitken examined the proposition and refused Sir Sandford's demand point-blank. That Aitken's judgment of the Exshaw Company was right is perhaps

best shown by the fact that in December 1911, the Bank of Montreal brought action against Sir Sandford Fleming for the repayment of \$85,000 advanced for that company.

Fight or surrender?—that was the issue before Aitken. He felt he could not, in fairness to the shareholders, yield.

Sir Sandford Fleming and two other directors resigned from the board of the new company and Fleming became its open foe. Shortly afterwards, when Canada Cement attempted to obtain power to issue further debenture stock—for which parliamentary consent must be obtained—Fleming wrote to the Chairman of the Private Bills Committee of the Dominion House, charging Aitken in effect with making an excessive profit for himself and with over-capitalization. This was the first battle of the kind in which Aitken had been engaged. Up to now his undertakings had received general praise for their sound finance.

Sir Sandford Fleming was a bad man for an enemy. He carried heavy guns and the friends of his friends, the political and newspaper groups that followed in the train of the Canadian Pacific Railway and the Bank of Montreal, opened against Aitken a campaign of the bitterest nature. They had naturally nothing to say about the Exshaw affair. Their main points were two. The first was that these mergers had been carried to a point that was injurious to national interests. The second was that the formation of the Canada Cement Company had made cement dearer for the consumer. This last was demonstrably false, except in some

isolated cases, for the price of cement actually decreased in 1910-11 from \$1.91 to \$1.27. A more genuine cause of complaint was that the amalgamated companies were not able to produce cement in sufficient quantities to meet the demand.

The campaign entered the field of politics, and its reverberations are heard to this day.

The young financier won out and time has since afforded the best justification of his policy. But the fighting was so fierce that it needed all his strength to maintain his own. To this day there are many people who, when Beaverbrook's name is mentioned, whisper the word "cement." Did they fully know the facts they would realize that the cement trouble was proof of Max Aitken's financial soundness, if proof were needed.

Lord Beaverbrook has himself told the story of the great fight :

" I once had to make a choice of this nature (between fighting or yielding) in the days of my youth when I was forming the Canada Cement Company. One of the concerns offered for sale to the combine was valued at far too high a price. The President of this overvalued concern was connected with the most powerful group of financiers that Canada has ever seen. Their smile would mean fortune to a young man, and their frown ruin to men of lesser position. The loss of including an unproductive concern at an unfair price would have been little to me personally—but it would have saddled the new amalgamated industry and the investors with a liability instead of an asset. It was certainly far easier to be pliable than to be firm. Every kind of private



pressure was brought to bear on me to accede to the purchase of the property.

"When this failed, all the immense engines for the formation of public opinion which were at the disposal of the opposing forces were directed against me in the form of vulgar abuse. And that attack was very cleverly directed. It made no mention of my refusal to buy a certain mill for the combine at an excessive cost to the shareholding public. On the contrary, those who had failed to induce me to break faith with the investing public appealed to that public to condemn me for forming a trust.

"I am prepared now to confess that I was bitterly hurt and injured by the injustice of these attacks. But I regret nothing. Why? Because these early violent criticisms taught me to treat ferocious onslaughts in later life with complete indifference. A certain kind of purely cynical intelligence would hold that I should have been far wiser to adopt the pliable rôle. But that innate judgment which dwells in the recesses of the mind tells me that my whole capacity for action in affairs would have been destroyed by the moral collapse of yielding to that threat. Pliability would have become a habit rather than a matter of judgment and will, for fortitude only comes by practice.

"Every young man who enters business will at some time or another meet a similar crisis which will determine the bias of his career and dictate his habitual technique in negotiation."<sup>1</sup>

<sup>1</sup> Success.

## IV

### ASHTON-UNDER-LYNE

**A**ITKEN had to visit London more than once in connection with his financial schemes, and here he made several warm friends, especially among the younger men in the Unionist ranks. But the one to whom he found himself drawn nearest was many years his senior, Bonar Law, the quiet Scottish-Canadian business man who had already established his position among British statesmen. Bonar Law came from Aitken's own province, New Brunswick, and this made an immediate point of contact. They quickly consolidated their friendship, a friendship that was to do much to shape the future of both.

In the autumn of 1910, Aitken came on a short visit to London, to arrange for the flotation of some bonds of Price & Co., the Canadian pulp and paper manufacturers. He found Britain in a state of political ferment. The House of Lords, backed by the Unionist party, was engaged in a desperate struggle with Mr. Asquith's Liberal Government. The Lords' opposition to Lloyd George's drastic Budget reforms had been negated by the result of the General Election of the previous January, when the Government retained its place, although its enormous majority was cut in halves. Since then, the battle had ranged mainly around constitutional reform and Home Rule. A Constitutional Conference had failed to bring a possible compromise in sight, and late in November Mr. Asquith dissolved the ten months' Parliament and sprang a fresh General Election on the country.

Bonar Law abandoned a safe seat to face a desperate struggle in North-East Manchester, and, recognizing his friend's persuasive powers, urged him to come with him and help in the fight. To the surprise of his Canadian colleagues, Aitken declared that he would do more, fight a constituency himself. When news of his decision was telegraphed to Montreal, his associates there at first almost refused to believe it. He had never up to now shown much interest in party political affairs. Why this sudden change of plan? "There is one thing you can rely on Aitken to do, the unexpected," was the verdict of Montreal.

A Lancashire constituency was still without a candidate, Ashton-under-Lyne, a small town about six miles from Manchester, built almost on the borders of three counties, Cheshire, Derbyshire, and Yorkshire. Ashton had, in the past, swung from one side to the other. Mr. H. J. Whiteley, its Conservative member in the 1895 and 1900 Parliaments, was defeated by the Liberal, Mr. A. H. Scott, in 1906, and in the early 1910 elections. It had been expected that, in spite of a formal refusal, Mr. Whiteley would re-contest the seat, but at the last moment, with the Election little more than a fortnight off, he definitely and finally repeated his refusal. The heads of the local Conservative committee came to London in a great stew to consult with the party headquarters, and after brief negotiations, Max Aitken was chosen as the Unionist candidate. He had ten days in which to wrest the seat from the Liberals.

Aitken chose the Unionist side not only because of his friendship for Bonar Law, but because Unionism stood,

in his opinion, for two causes which he had warmly at heart, the consolidation of the Empire and the promotion of Imperial tariff union. One thing and one thing only made him hesitate. During his short visits to England he had been startled and amazed at the poverty of the cities and the sufferings of the poor. What use was an Imperialism that did not ease the lot of the needy? "Politics that do not help to better conditions such as these are not worth fighting for," he declared. He demanded to know whether the Unionists meant to work for social reform and was satisfied that they did before he accepted the invitation.

He was handicapped in the fight. He was, in the eyes of many of the electors, a "foreigner," and A. H. Scott, his rival, was a local man, Lancashire born and bred and the head of a large grocery concern with branch stores in many parts of the country. Aitken was not familiar with English political ways, and sometimes in his speeches he would employ strange Canadian phraseology, as, for example, talking of dollars and cents in place of pounds and pence. He brought experts with him to keep him right, including one who knew all the pitfalls of British election laws.

One of the first things that impressed the Ashton men was the systematic way in which he set to work. The local political committee was reshaped—a necessary but very delicate task. The campaign was planned exactly as though it were some great business enterprise. Anyone who has had much to do with elections knows that a great deal of slackness often prevails. Whole sections of voters are left untouched, while others are canvassed

half a dozen times. But here a system of checks, accountancy and book-keeping was installed. Every man's work was supervised and every man's work had to be done.

Mrs. Aitken was in Montreal, but when she was told by cable of the coming fight she hurried to take her place at his side. Her winning ways proved of great assistance and it was a real point in the campaign when it became known that her father had been the leader of the Canadian contingent at Paardeburg, where De Wet was captured. Even the local Liberal newspaper declared, "Mrs. Aitken is a charming lady."

Husband and wife spent every hour that they could spare in personal canvass in some of the poorest quarters of the borough. Ashton-under-Lyne is built around one main road, Stanford Street, the chief thoroughfare between Manchester and Yorkshire. It is essentially a cotton town, having some of the largest and finest equipped cotton mills in the world. But even here there was very real need among some of the electors. Aitken renewed his pledges to fight poverty such as he saw here and to help to have it abolished.

A curious rumour arose that the young Canadian and his wife were bringing gifts of food and blankets to the people. One local man with a vivid imagination described to me how his election agent had protested against Aitken doing anything like this, and how Aitken had turned on him in cold anger, declaring, "If you imagine that we are going among hungry children and starving women and not going to help them, then you are wrong. Let the election be invalid! Let them send

me to prison if they like!" Of course, nothing of the kind occurred, although it indicated what people thought of the stranger that a tale of this kind should be invented. Whatever pity Aitken might feel, he was not so foolish as to risk the Election in order to give temporary aid to a few special cases of distress.

Aitken himself was the first to protest that he could not speak in public. He was no trained orator, but he had real enthusiasm, and he drove home his ideals with tremendous force. The Liberals were anxious to fight the Election on many issues, the House of Lords, the Irish question, and the like. Aitken swept these on one side for two vital matters—the future of the Empire and the well-being of the working man. "I am going to talk to you about the Empire," was his text. His speech was jerky at times, and he made his deepest impression by breaking down on one occasion when addressing a great crowd of voters. Words suddenly failed him; then he recovered himself. "If I could make you men of Ashton realize what this Empire of ours means, there would not be one Radical left in the place," he declared in a broken voice.

The Unionist party leaders had agreed to keep tariff reform in the background for the time, but Aitken insisted on pushing it to the front. Lancashire men like straight speech, and the candidate's policy of openly telling his views, even when unacceptable to listeners, won him many votes.

Election addresses are, as a rule, conventional things, written in recognized and almost stereotyped lines. Aitken's address, however, presented some new features.

*To the Electors of*  
ASHTON-UNDER-LYNE AND HURST

GENTLEMEN,

A crisis has arrived which is without parallel in the annals of the British Empire. The Liberals have decided on a "rush" Election in the hope that the question of paramount importance to all Britons—namely, the solidarity of our Empire—may be overlooked. Electors! the position is grave, and calls for your most serious consideration. You must think now, and think aright. The issue is in your hands; the result is vital to the interests of the British Empire.

Britain stands FIRST NOW in the unity of nations. See to it, men of Britain, that she stands

FIRST ALWAYS.

Another surprise for the people of Ashton was the backing that Aitken received from men of the most varied type. Bonar Law broke away from his own campaign in Manchester to support his friend, telling the people of Ashton that this was the only meeting he would address outside North-East Manchester until the Election was over. He had a very tough fight before him there, he said. Strongly as he felt for the cause and would like to have the right cause represented by the right man in Ashton, he would not have come there if their candidate had not been a man for whom he had a personal liking. "I am," he continued, "going to say something that will sound exaggerated to you; but you will find when you know him better that Mr. Aitken

is one of the best men you ever came across. Don't judge him by his first speech. He has never had any experience in speaking, but he has had experience in things more difficult than speaking. He has always succeeded in what he has undertaken up to now, and with practice he will be a credit to any constituency which returns him as its representative."

Mr. Gwynne, then Editor of the *Standard*, now Editor of the *Morning Post*, was one of his most active backers. Sir Gilbert Parker, novelist and M.P., was another. Mr. George Drummond—and there is no more respected name in Canada—told the voters that no one in England knew their candidate as well as he did, and he could assure them that he was one of the most capable men they had in the Dominion of Canada, upright, honourable, and of the highest integrity. "Every Member of Parliament seeking to rule this Empire ought to know something about the Empire. Mr. Aitken does."

The Prime Minister of New Brunswick, Mr. J. D. Hazen, sent a cable of support :

"On my own behalf and on that of many other of your warm friends in your native province, I tender you hearty congratulations on your invitation by the Unionist party to contest the division of Ashton-under-Lyne for a seat in the Mother of Parliaments. The people of New Brunswick have followed your splendidly successful career as a business man with great interest, and are proud of the fact that at an early age you have taken a place among Canada's captains of commerce and finance, and are now about to embark on a political career in the Mother Country. They feel that you possess the qualities of education and



of business experience, the capacity for hard work, and above all the loyalty to British institutions which will ensure your success as a member of the House of Commons. I hope you will have as distinguished a political career as New Brunswick's great son, Bonar Law."

The opening gathering of the campaign was held on November 24th. I quote from the report in one of the local papers of Aitken's speech, because it shows in the most conclusive way how in 1910, new to British conditions and rising above mere electioneering policy, his programme was substantially the same as in 1930 when, equally indifferent to mere political finesse, he defied the established leaders of the Conservative party.

"Mr. Aitken said that there was one question of greater importance to the country than the abolition of the veto—social reform. On that subject he took a very strong stand. He contended that their working men in England were not getting a proper share of the good things of the world ; that their labouring classes were not getting that fair measure of wages which the labourers in other parts of the Empire were getting. He contended that all the measures of legislation, beginning with that introduced by Mr. Chamberlain and coming down to the present industrial insurance proposals were sound and practical legislation.

"Social reform must go on until the labouring classes had improved their position so that their lot was not unduly hard compared with that of those who had elevated themselves above the labouring class. The greatest of all these social reforms was in his opinion

**Tariff Reform.** Tariff Reform meant that they should manufacture in their own country that which their own country consumed, and that they would sell as much in foreign countries as these countries sold in this. With the policy of Tariff Reform he advised the policy of preference, and on the latter point he took a strong stand, not alone from the standpoint of their Colonies, which they hoped to retain for themselves, but from the standpoint of this Britain of ours. The colonies had already granted certain preference to the Empire. These preferences were not in themselves sufficient to bring about the ends they desired, but such as they were, they had seen the enormous beneficial effects. Preference had stimulated trade to a considerable degree, but, notwithstanding this, the amount of trade which the United States was still carrying on in Canada was tremendous, three times greater than the trade Britain was doing with Canada.

“On the other hand, England bought four times as much as the United States from Canada, and that was not sound. That was not what they wanted. They contended that the policy of preference would establish for Great Britain markets in the heart of the Colonies. If this policy of Tariff Reform and preference was carried out, he contended that the growth of markets in the Colonies would develop and increase. Canada’s consuming markets were doubling themselves every ten years, and if they established themselves in that market, they would greatly improve their position. They would also give a stimulus to their Colonies.

“After dealing with trade in the West Indies, Mr. Aitken went on to declare amid renewed cheering, that they were not going to take the policy of shutting us out from world markets lying down. Unless they did

something, they would also lose their markets in Japan. If they had the mind they could develop a profitable market in the British West Indies. He had seen there British brush turbines and steam engines superior to any ever made in America by the Americans. The manufacturers had been compelled to install the inferior machinery.

“The only objection he had ever heard to Tariff Reform and preference was that it would increase the cost of food. If he thought the policy he was advocating would add a single penny to the cost of any working man’s food, he would absolutely abandon it and would support Free Trade. It was because he did not believe it, and because he believed that out of their own Empire they could produce the foodstuffs for this great workshop and their wonderful land, that he advocated Tariff Reform. Thanks to our Colonies we would be able to keep the cost absolutely normal. That was why he put aside the bogey of the food tax. He was confident as a business man, not because of any theory, that the price of food of the labouring man would not be increased one iota. He had appealed to them from a commercial standpoint and not from a patriotic standpoint. He would not appeal to them from the latter if he could help it, but he would remind them that the Colonies came to them with preference in one hand and the Union Jack in the other. Were they to refuse that preference and to refuse preference to the Colonies in return in order that the colonial markets might be safeguarded to them.

“In Canada negotiations for preference with the United States—unrestricted reciprocity, they called it—were only determined a few weeks ago and would be renewed in January next after the British people had spoken at

this Election. He appealed to the electors of Ashton to give their answer in an unmistakable manner. Tell them they wanted their markets and their loyalty and devotion, which they had already given in times of need. If they told them these things, the reward would be theirs, and the reward would mean that they would have more hope and more to look forward to. If each in his own small way had the means of advancing this great and glorious Empire, and of welding the Empire together with such bonds of steel which could never be burst asunder, now was the time to do it, or the opportunity would be gone for ever. It was theirs to give the lead, and he asked them to adopt Tariff Reform, as it was financially sound."

At another great meeting, F. E. Smith, then at the height of his early fame, came to back his friend with all the force of his vitriolic eloquence. "I have had the advantage of reading one of the Liberal papers which circulates in this district, and which supplies the Liberal electors with certain reasons for not welcoming the candidature of Mr. Aitken with enthusiasm. The first of these reasons, so far as I can understand, is because he is alleged to pronounce cotton ' catton ' ! Well, now, I believe at the present moment if he had only had the good luck to pronounce it with an Irish accent, they would have said he was toeing the line. It reminds me of a conversation I once heard between an American Tariff Reform and an English Free Trade audience. The Free Trade audience began to imitate my American friend because they said he spoke through his nose. My friend turned round and said, ' It's all very well, I may speak through my nose, but if you keep on with

Free Trade, you will be made to pay through your nose !' I think I may therefore say that whatever arguments may weigh with the electors of Ashton, this one won't. Then they use another argument. They say he is a very rich man ; they have said he is a millionaire. I used to understand their view that if a man inherited wealth and did not make his money, they said, ' He toils not, neither does he spin, yet Solomon in all his glory was not arrayed like one of these.' If, on the other hand, a man, by sheer ability and initiative, under democratic conditions, owing nothing except to his own character and his own ability, made his competency, I thought Liberals held he was entitled to every credit. I have fought in many elections, and I remember fighting against Mr. Lever, of Port Sunlight, when he was a Liberal, and I remember fighting against Baron de Forest, when he was a Liberal candidate for Southport. I never remember hearing that the Liberal party was possessed of that profound objection to wealthy candidates. We stand in this Election neither for a man because he is poor, nor because he is rich ; we say, in the words of the great Scottish poet, ' A man's a man for a' that.' No Ashtonian need be ashamed of their candidate because he has forged his way to the front while still a young man. They say it is extraordinary that a man so young should have attained to a degree of success so high in such a short time. Yes, but they forget that he has lived under Tariff Reform. I do not know why he is not ruined. He must have been living for at least thirty years upon black bread, horseflesh, and offal generally—we know all Tariff Reformers do,

and that is what is going to happen to you all if we have Tariff Reform. Mr. Aitken has had thirty years of it, and to look at him, it does not appear as if it disagreed with him as much as you would have expected."

Mr. Percy Hurd, now in Parliament, but in those days widely known as a political journalist, told in his cables to the *Montreal Star* some of the more picturesque incidents of the fight.

"London, Dec. 1st.—Mr. Aitken is having a lively time with the Lancashire hecklers. After a mass meeting, questioners bobbed up in all parts of the large hall. Mr. Aitken had ready answers for each.

" 'Will you give women votes?' he was asked.

" 'Yes,' he replied, 'if they want it, but I don't know if they do want it.'

" 'Will you abolish barmaids?'

" 'I should first want to know what other occupation they could get.'

" 'Have you a vote?'

" 'No, there are 36,000 of us in England without a vote, though I have property in England and am interested in a manufacturing industry in England.'

" 'Do your Canadian trusts help British workmen?'

" 'I control no trusts,' he replied, 'I am a shareholder in several consolidations.'

" 'If,' asked another elector, 'tariff reform cures unemployment, why is unemployment least when manufactured imports are greatest?'

" Mr. Aitken replied, 'Has the questioner left off beating his wife?'

" Further questions followed, as, for example 'Will you take off Lloyd George's taxes on beer and tobacco?'

“ ‘ Yes.’

“ ‘ Will you give Catholic schools for Catholic children under Catholic control ? ’

“ ‘ Yes.’

“ ‘ Your opponent, Mr. Scott, says you are being coached in this election.’

“ To this Mr. Aitken replied, ‘ I have no professional coaches. If I had I would probably do much better. I am trying to cut out a political career that will be my own.’

“ December 3rd. At Mr. Aitken’s meeting last night the Chairman said the question was asked, ‘ Who is Aitken ? ’ He read cablegrams from Sir Gilbert Parker and Mr. Lloyd Harris warmly wishing Mr. Aitken success. Sir Gilbert Parker said, ‘ It is just such Britishers as you who understand the Empire at the centre and the outposts who are needed in Parliament to deal with the problems of markets and trade. Few men of your years have gone so far and done so much. You represent the best British stock. When you go to Parliament you will help make all men of the Empire understand and value each other better.’

“ At a Radical meeting held at the same time, Mr. Scott, the Radical candidate, avoided personalities, but his Chairman said millionaires were not popular folk with the Ashton working man, and added that Mr. Aitken now claimed he was not such a rich man after all. Another speaker commended Mr. Scott as an English gentleman, not a gentleman from America who knew nothing about the cotton trade.”

At first Mr. Scott’s Liberal friends were inclined to despise the new-comer. “ Circus tactics ” they called

his methods, but after a very few days they began to regard these "circus tactics" more seriously. Then came the evening before the poll. Aitken summoned all his friends to his aid and engineered a great procession through the long street of the borough, so impressive that it convinced waverers that he would really win. In every constituency there is a certain proportion of electors who want to be on the winning side, whatever it is. These next day cast their vote for Aitken, and when the poll was announced that night the result showed one of the very few Unionist victories of the contest :

Aitken, W. Max (U.)	.	4044
Scott, A. H. (L.)	.	3848
		<hr/>
Majority		196
		<hr/>

A description of the Election from an Ashton resident was published in the *Montreal Daily Star*, so vivid that it deserves quotation at length :

" To the thousands of Old Country people in Canada who have been awaiting with keen expectancy the result of the Ashton-under-Lyne election, the triumphant return of Mr. W. M. Aitken, of Montreal, to the British House of Commons is strangely significant and fraught with tremendous possibilities in the bitter struggle now taking place between Free Traders and Tariff Reformers in Great Britain.

" Ashton-under-Lyne has for years been a Liberal or Free Trade stronghold, and Mr. Aitken's victory over



his political opponent is the more remarkable when it is remembered that Mr. Scott is a well-known Lancashire grocer, with branch stores in the town which has just rejected him in favour of a man who was an absolute stranger both to Ashton-under-Lyne and the country of which he is now a Member of Parliament.

"The voting population of Ashton are, like their forefathers before them for generations, mill operatives, hard-headed, deep-thinking and commercially intelligent people, who listen to what a man has to say and who use their own judgment on what he has said. Self-opinionated, yet ever ready to give a stranger a fair show, which was illustrated on Saturday last, in their election to power of Mr. W. M. Aitken.

"There is some wealth and substance in Ashton. They can boast more wealthy men in proportion to the size of their town than any other township or city in Lancashire. It is not an uncommon sight to see a typical 'Ashtonian' sitting in the Commercial Hotel (better known as the Mayor's parlour) with a 'pint' in front of him, wearing a coloured scarf and a pair of wooden clogs and generally attired in a fashion that would convey the impression that he was not worth a dollar, and who could sign his name to a cheque for \$200,000; yes, and more than that, which would be honoured at the local bank. There are many of such a type who take things easily, having made their 'bit o' brass,' and all out of cotton.

"Abe Bailey, a millionaire, lives (or did when I was there a year or two ago) in Ashton-under-Lyne, and, if Roman Law should run in this gentleman's colours for next year's Grand National steeplechase, all Ashton would have their little bit on.

"They are sports in this little town, and the correct interpretation of a hackneyed saying should be: 'What Ashton-under-Lyne thinks to-day, Lancashire does to-morrow.' The womenfolk mostly go to the cotton mills in clogs and shawls, but see them on Sunday! Dressed to kill, in style and taste one would think it impossible for them to exercise. They do not know the meaning of the word 'impossible' in this thrivingly prosperous hive of industry.

"What makes the sensational victory of Mr. Aitken all the more remarkable is the style of his opponent, Mr. A. H. Scott. Ten years ago the writer was standing at the corner of Withy Grove, Manchester, where millions of dollars worth of Canadian produce have been handled, when a well-built, clean-shaven man of strikingly distinctive type of feature crossed over Corporation Street. Turning to a friend, I made the remark, 'Who is that fellow crossing the street; isn't it Wilson Barrett?' I had been the night before to see this fine actor-dramatist in *The Sign of the Cross*. 'Him Wilson Barrett,' my friend replied, 'that is Scott, the ordinary common or garden grocer, who has said that one day he will be Prime Minister of England.'

"'By the look of him,' I said, 'he will one day be something,' and he has, but Mr. Aitken unseated him at Ashton.

"To compare the electorate of Manchester with that of Ashton is to compare a rag school with a University. There is squalor, poverty, and a class of voter in Manchester who are physically and mentally incapable and are swayed and influenced by that almost criminal cry of the Liberal campaign, 'Dear Food.' What is the use of

cheap food if there is little or no money to buy it with ! The unemployment in Manchester is pathetic. These were the people who rejected Balfour after twenty years' representation.

" These are the class of people who rejected Bonar Law on Saturday. Poor, misguided, half-starved, mentally and physically unfit creatures, living in a state of squalor, destitution and poverty which has in these last ten years under a Free Trade regime become more and more acute. The description is not too severe. I collected rents for three years in the Rochdale Road and Ancoats slums of Manchester, and the owner of the property lost \$15,000 through many of his houses being condemned as insanitary and unfit for human habitation.

" When the cotton strikes were on, Ashton was the last to hold out, and stirring incidents were the feature of the lock-out. Stamford Street has been barricaded before to-day, and these 'gritty,' determined cotton workers more than held their own against the trained military. One thing they like is grit, pluck, and determination. These qualities shown by their new Parliamentary leader, combined with his exceptional inside knowledge and experience of the existing conditions of trade depression, have placed behind the name of Mr. W. M. Aitken the much counted and significant letters, M.P.

" Take Ashton-under-Lyne. There are poor people there as everywhere, but no squalor and destitution. They earn enough money in good times to provide for the periodical cycles of trade depression. They are a thrifty, hard-working class, thoroughly representative of the great county of Lancashire—more so than the cosmopolitan conglomeration of Manchester—conse-

quently their influence in matters of politics will have an effect on the British electorate which it is hard to conceive.


" Their decision in this acute and bitter crisis of England bears the hallmark of wisdom and solidity, and, as such, will have a tremendous influence in those constituencies yet to give the vote. The victory of Mr. W. M. Aitken will have a profound impression in the great cotton industry of England. The Ashton-under-Lyne voters weave and spin the cotton, Manchester is only the market for the raw material—a distributing centre or depôt of cotton.

" Mr. W. M. Aitken, M.P., will have reason to be as proud of Ashton-under-Lyne as this gallant little town, no doubt, has reason to be proud of its brilliant Member of the British House of Parliament. One thing is certain, Lancashire knows that no bluff has got him there, but merit and ability. Lancashire will have a sneaking regard for this outspoken and practical demonstration of the hard-headed thinkers of Ashton-under-Lyne."

A shout of triumph went up from the Unionist ranks. Max Aitken was booked many times over to speak at meetings during the remainder of the Election. At its close, the Conservatives gave him a great banquet in London, but it was not altogether a success. His speech was too Canadian, too cocksure, too self-confident to please.

The older politicians shook their heads gloomily and resentfully. " A lucky success," they said, " that's all," and for the moment they wiped Aitken and his

triumph from their memory. But they did not know Max Aitken. Admittedly he had not acquired the mode of speech that pleased them, but there are greater things in this world than style of oratory, as they were later on to discover.



## BUSINESS AND POLITICS

**M**AX AITKEN settled in London, and a new chapter in his history began. He made his home at Cherkley Court, Leatherhead. His interests were now divided between politics and business. He had already extensive British financial connections, and when it was known that he was settling here, men flocked to his office in Threadneedle Street, urging him to take part in many purely British enterprises. He became for a time Chairman of the Colonial Bank and startled his more conservative colleagues by the variety and novelty of his suggestions for fresh ways of extending their business. He was also Chairman of the Equitable Trust of London. City men spoke respectfully of a remarkable deal which he was supposed—whether rightly or wrongly I do not know—to have made in Rolls-Royce shares.

But his main financial interests still remained in Canada. Public opinion there, influenced by the cement attacks, was not at this time generally friendly to him, and many people could not quite understand how he had managed to establish himself firmly and quickly in the esteem of the City of London. It took some time for this feeling of hostility to die down. When his name appeared in the Coronation Honours as a Knight Bachelor, in June 1911, the comments of a section of the Canadian press were far from kindly.

In politics Aitken found himself up against a different situation. He knew enough to recognize that the requirements of the business world and the conditions of success

in politics are wholly different. It is a common delusion that great success in business indicates that a man is specially fitted for the conduct of public affairs. The demand for a Government of business men, who shall run the affairs of the nation on business lines is based on a fallacy. Successful organizers of big business are, as a rule, conspicuous failures in political life. Those who have scored success have done so by serving a fresh apprenticeship to politics and unlearning their old methods. Even Hoover, a supremely successful engineer of high ideals, has scored a comparative failure as President. In British politics the great places have been won not by the shipping kings or the financiers, but by men who have made politics their main concern for many years. The reason of this is plain. Great success in the world of business is secured by fighting for one's own hand. The successful man has constantly to keep in memory the daily balance at the bank, and the annual balance sheet. Success in politics is secured by pliancy on minor issues, and by persuasion, sympathy, eloquence, and personality. The great politician enlists big business men in his train as his organizers, but he will not retain his power for long if he does not dominate them and plan further ahead than they can see.

Recognizing that this new sphere required fresh methods, Aitken set himself to a quiet study of British political life. He made friends with politicians of the most diverse views, leading members of the Irish party, young Conservatives resentful against the domination of Balfour, and others who were soon to be high in

place and power. These he invited to his home for week-ends and listened while they debated and discussed affairs with all the freedom of a friendly fireside. Gradually Aitken began to make suggestions, and the politicians were surprised to find that his remarks were usually worth listening to. Of the dominating influence on his political life at this time, his close friendship with Bonar Law, which grew deeper week by week, I write more fully later. In the House of Commons while waiting for Debates, men would notice Bonar Law and Aitken engaged in friendly games of chess. At Cherkley and at the Law home in Edwards Square, Kensington, the two were constantly found together, discussing affairs of state, or finding relaxation on the tennis court.

Aitken was first heard in Parliament asking questions, usually of a financial nature. On July 20th, 1911, he delivered his maiden speech, choosing a subject that was particularly his own, trade with the West Indies. The occasion was the debate on the results of the Royal Commission of Inquiry into the Canadian Trade Regulations with the West Indies.

The *Morning Post* described Aitken's speech as one of "great power and lucidity." But it cannot be said that he scored, either then or later, any great success as a parliamentary orator. His Canadian voice, which strikes English ears as hard, was against him, and he could never quite acquire the art of superior indifference which the Commons seem to love. He evidently realized that political oratory requires practice, and took many opportunities, in gatherings of all kinds during the next few years, of strengthening his speaking powers. Later on,



the very qualities which had hampered him in the Commons helped to give him success on the platform. In his campaigns in the Empire Crusade of 1930, when he spoke in schoolroom and parish hall, at street corners and in great halls, it was his intensity, his tremendous earnestness, and his hard-hitting qualities that carried his audiences with him. This was particularly noticeable in his broadcast speech on November 27th, 1930, from London. Here he conveyed such a sense of intense conviction that even broadcast listeners—the hardest of all audiences to arouse—had their imaginations kindled. When, a few days later, Sir William Beveridge attempted to reply to him, the contrast might be compared to a strong breeze which carried all before it and a wandering wind which sang around the eaves.

Here is the maiden speech :

“ I gather from what the Honourable Member for Gravesend said that, in his opinion, the most important deliberation at the Imperial Conference was concerned with the resolution introduced by the Prime Minister of Canada. That resolution, as presented, would have served a very great purpose if it had resulted in bringing to the attention of the Empire at large the enormous resources of the Colonies and the enormous opportunities for the development of those resources in the interests of the British people in all parts of the Empire. The alteration in the resolution presented by the Colonial Secretary necessarily changed its scope. It will be impossible under the Amendment to enquire into the possibility of developing parts of the Empire by a system of trade relations.

“ When the Government appointed a Royal Commis-

sion to enquire into the trade relations between Canada and the British West Indies, that Commission was not restricted in the manner in which the new Commission will be. There was ample opportunity to enquire into the benefits of preference, and, as I read the Report and recommendations of that Commission, they would necessitate a change in the fiscal policy of some of the British West Indies. If a change can be suggested in the fiscal policy of the British West Indies by a Royal Commission, I cannot see why an Amendment proposed by the Colonial Secretary should exclude the possibility of suggesting a change in the fiscal system of Great Britain. Then again, it appears to me that the Colonial Secretary, who is peculiarly guardian of the Crown Colonies, has been guilty of a dereliction of duty in not including the Crown Colonies in the scope of the proposed Commission. The population of the Crown Colonies is twice as great as that of the Dominions, and I think that the British West Indies has a population greater than that of New Zealand and Newfoundland combined. I am familiar with the British West Indies to some degree, and, consequently, I take the liberty of referring more particularly to those Colonies in making the points I wish to lay before the Committee.

“The United States Government has developed its colonial system along lines which are at least worthy of investigation by the Commission which the Imperial Conference proposes to set up. The United States has developed her Colonies by Imperial, or, if you choose to use another word, by Republican preference. I remember ten or twelve years ago, when the West Indies, including those islands which did not belong to Great Britain, were all practically in the same position—a very demoralized condition. About 1903 Cuba

gave a preference of 20 per cent to the United States, and in return the United States gave a preference of 20 per cent on Cuban produce. Since then the development of Cuba has been very rapid, and as a consequence of that preference, the sales of the United States goods in Cuba have increased from \$23,000,000 to \$46,000,000, or nearly half the trade which Great Britain does with Canada. The island of Porto Rico was transacting very little trade with the United States when the United States scheme of colonization was carried out. Since then it has developed with even greater rapidity than Cuba, and in 1910 the United States sales to the island amounted to about \$28,000,000 ; the trade has doubled within the past six years under this system of Colonial preference, and there is every reason to suppose that it will again double in the next six years.

“ The Philippines are not situated in the West Indies, but, under the colonial system of the United States, they also have doubled their purchasing powers from the United States in the past six years, while British trade has declined by about one half. On the other hand, Trinidad and Demerara, territories just as fertile and capable of development as the Colonies affiliated with the United States, have made very little progress. They are not permitted to sell their products in the United States markets at all, and in the English market they compete on equal terms with the surplus produce of Cuba and Porto Rico. There has been a considerable shipment of produce from Cuba to Great Britain, the sugar bounty having been removed. It is said that the improved conditions of preference given by Canada have resulted in the sale of as much as 80 per cent of Demerara sugar in Canada, and had it not been for that preference, it would hardly have been possible for Demerara to hold

her own. These two Colonies, however, are at present buying a very small quantity of manufactured goods. If the scheme of Imperial preference or some similar scheme of preference on those articles which are at present taxed in England could be carried out, we could look forward to a very largely increased buying power on their part.

“The field requires to be tilled if good results are to be obtained, and it seems a great pity that the American Government should go on tilling its tropical field, while Great Britain fails to do so. An opportunity arose to complete the Report of the Commission which enquired into the relations between Canada and the West Indies, by enabling the present Commission to enquire into the relations between Great Britain and the West Indies, but it was not accepted. Had it been taken advantage of, and had a Commission similar in character to the Commission which enquired into the relations between the West Indies and Canada been appointed, it is fair to assume that that Commission would have recommended some preference on the articles which are already taxed in Great Britain. In fact, that would be in accordance with the fiscal system already existing in Great Britain, and the fact that the resolution as amended by the Colonial Secretary would still permit, if the Crown Colonies had been included, of enquiring into the trade relations of Great Britain and the West Indies makes it to be regretted to a very much greater extent that the Crown Colonies were not included.

“I should like to bring the attention of the Colonial Secretary to the certainty that after the United States has completed her reciprocity agreement with Canada, she will make overtures to Newfoundland, and after that she will enter into negotiations with the West Indies,

and unless the Government takes some steps to keep the situation in hand, it is practically certain, I think, that the West Indies will be compelled to accept those overtures."

A typical example of Sir Max's enterprise and of the extent and variety of his interests was given in the public reports of his doings during a month's visit to Canada in the parliamentary recess of the summer of 1912.

In Montreal Sir Max invested largely in real estate, completing, in conjunction with Mr. J. E. Nilder, a big deal for the purchase at auction of the Montreal High School estate on Peel Street at \$1,370,000. This transaction excited considerable comment. The auction was regarded as historic, over nine hundred people attending, and was the largest real estate deal Montreal had yet known. Aitken made no secret of his confidence in the great future awaiting Montreal. "I think that the large investments I have made here personally speak louder than words as to what I think the future has for this city," he told the reporters.

Before leaving Montreal it was announced that Sir Max had resigned his Presidency of the Royal Securities Corporation in order to give more time to his British interests. From Montreal he set out in a private car for the West. Among his travelling companions were R. B. Bennett, M.P. for Calgary, F. W. Jones, head of the Canada Cement Company, D. W. Ross of the Metropolitan Bank of Toronto, and F. E. Smith, the future Lord Chancellor of England, with whom he had struck up a warm friendship.

At Calgary Aitken, in association with Mr. H. B.

Bennett and Mr. Bawlf, one of the best-known men in the grain trade of the Middle West, purchased the elevators of the Alberta Pacific Elevator Co., Ltd., and the West Coast Grain Co., Ltd., and the terminals of the Globe Elevator Co., Ltd., a deal involving several millions of dollars, by which they secured one hundred and thirty-five grain elevators in the province of Alberta along with two flour mills and all the grain terminals of the province.

He and his associates announced that they intended to make a considerable increase in the number of elevators and to launch a vigorous campaign for the purpose of concentrating the west-bound grain business opened up by the Panama Canal in the city of Calgary. A few days later, it was announced that Sir Max had formed a company which had secured control of the Toronto Structural Steel Co., and was increasing its capitalization from \$200,000 to \$1,000,000, planning to enlarge its output fivefold. Not until he had left Canada was it found that he had also been arranging for two great power schemes, to dam the St. Lawrence River at points between Montreal and Prestwich. One of these was the Long Sault Development Co., backed by the Aluminium Co. of America, and the other the Eastern Canada Power Co., backed by a group of Montreal, English, and American capitalists. These schemes involved the development of power far exceeding that of Niagara Falls. "They will completely alter industrial conditions in Ontario and Montreal, and change the whole navigation system of the St. Lawrence from Prestwich to Montreal," it was said at the time. The

schemes were, of course, dependent upon the consent of the Federal Government.

Sir Max returned from Canada at the end of a month, leaving even the Canadian people amazed at what he had accomplished. Canada is a land of hustle, but here was a man who could hustle the hustlers !

## VI

### BONAR LAW

**I** HAVE more than once emphasized the friendship between Bonar Law and Max Aitken, a powerful moulding force in the lives of both men. They had much in common. Both were sons of New Brunswick and of New Brunswick Presbyterian ministers. Both, too, were men of business before they became politicians, Bonar Law having established himself as an iron merchant in Glasgow. They were both enthusiastic tariff reformers. But Bonar Law then occupied a position in British politics very different from his friend's. Max Aitken was still a 'prentice hand. His maiden speech had been treated with respect, but had scored no great triumph. He had won the friendship of many Members, but politically he was practically unknown.

Bonar Law, on the other hand, was already one of the outstanding figures in the Conservative party. Mr. Balfour and Lord Lansdowne were the admitted chiefs ; below them came Walter Long, the idol of the country members, and in many ways a typical country gentleman of the best sort, and Austen Chamberlain, inheritor of a great name, who had proved time after time his possession of many of the essentials of political leadership. Then came Sir Edward Carson, backed by the Irish Unionist Members, and Bonar Law.

Bonar Law was returned to Parliament for the Blackfriars Division of Glasgow in 1900, and quickly captured the ear of the House. A quiet, shrewd Scotsman, with



gentle manners and a captivating smile, who could hit hard and fight hard and yet retain the goodwill of his opponents, he seemed born for high office. His speeches pleased both sides of the House by their literary grace, though they made the Liberals squirm. Even Mr. Balfour, keenest of intellectual critics, listened to him with evident satisfaction. "He seemed to speak with the full practical knowledge of a man of business, but with the detached and theoretical method of a Scottish metaphysician," wrote Sir A. Griffith-Boscawen.<sup>1</sup>

The great friendship between Bonar Law and Aitken did not mean that the two always agreed on public issues, or that either dominated the thoughts or actions of the other. Often enough they sharply differed, but year by year Aitken found by experience that his friend's judgment was sound on great issues and Bonar Law relied more and more on the practical decisions of the younger man. Real friendship allows for differences in point of view, and probably these two "sons of the manse" would have felt that something was missing in life if they had not had issues over which they could differ and debate.

Aitken once told a Toronto audience at the Arts and Letters Club, that it was Bonar Law who had made him concern himself with British politics. "I used to talk to him about finance," he said, "but he insisted on talking politics to me, and since I could not convert him to my topic, I had to take up his. That is how I became interested in English politics."

<sup>1</sup> *Fourteen Years in Parliament.*

Later, when the young man's thoughts turned to Fleet Street, Bonar Law refused to follow him. He did his best to dissuade him from plunging into the sea of daily journalism, and never became wholly reconciled to it.

The supreme quality which gave Bonar Law the goodwill and respect of Parliament was not eloquence but character. Here was a man who conveyed the impression to all associated with him that he could not do a mean or unworthy thing. It may be added that Bonar Law's reputation for simple and unostentatious rectitude did a very good turn to Max Aitken. When some *gobe-mouches* attempted to retail the cement scandals, they did not receive much sympathy. "Do you think that Bonar Law would make a friend of a man who has done anything crooked?" one Member asked. "You know that he would not. The fact that Bonar Law is his friend is good enough for me."

Before he had been two years in Parliament, Bonar Law was invited to join the Ministry as Parliamentary Secretary to the Board of Trade. His brilliant oratory gave him rank as the ablest advocate of tariff reform. When the Conservatives went into opposition, he proved a gay, stubborn and resourceful fighter. But there was still a great gulf between him and possible leadership. The Unionist party had been traditionally led by men of territorial influence and of high social position. Mr. Balfour had all the power of the Cecils behind him. Lord Lansdowne could claim a great family following. Bonar Law was a Presbyterian minister's son, and a

merchant who, while he had acquired a competence, could not claim to be a man of great wealth. Disraeli may be quoted as a case against this. But Disraeli, son of a bookman, seemed to carry the flavour of ultra-aristocracy even among ancient aristocrats.

A growing section of the Unionist party did not rest easy under Mr. Balfour's rule. They admitted his greatness as a political figure, his intellectual pre-eminence, and his personal charm, but they made no secret of their view that although he might be a great statesman he was a poor commander in a desperate political struggle. Since his accession to power in July 1902, he had three times led the Unionist party to defeat. It may be urged, and rightly, that he took over the direction of his party at the height of great reaction from long Conservative rule. But the younger men thought him too easy-going, too ready to compromise, unresourceful, and unable to devise a programme that would capture the imagination of the electorate. Bonar Law, it is well to note, took no part in these criticisms. By universal agreement he stood loyally by his leader.

But it was obvious to all who knew how events were developing that there must be a change. Max Aitken realized this during the summer, made up his mind that when a new leader was selected, Bonar Law was to be the man, and set quietly to work. He was already closely in touch with the discontented younger elements of the Unionist party and won them over. He arranged

a meeting at his own home between Bonar Law and Northcliffe, to help to ensure that if the matter came to an issue, *The Times* and the *Daily Mail* would be at least benevolently neutral. In other directions he laid his plans.

On November 8th, 1911, Mr. Balfour announced his resignation to a hastily summoned emergency meeting of the Executive Committee of the City of London Conservative Association, the City of London being his own constituency. The newspapers declared that the announcement came "suddenly and unexpectedly." Certainly, some of the men anxious to succeed Mr. Balfour were not ready.

A gathering of the Unionist party was arranged at the Carlton Club for the following Monday to choose the new leader. Two names were mentioned in official circles and two names only, Walter Long and Austen Chamberlain. Their supporters were almost equally divided and the election of either would be opposed by a considerable number on the other side. Mr. Long and Mr. Chamberlain met on the day of Mr. Balfour's resignation and then agreed that while both of their names were to be put forward, if they found that unanimity could not be arrived at, or that a division in the party might ensue, they should both withdraw and agree on a third man. They were themselves probably surprised to find that *The Times* mentioned Bonar Law as a compromise candidate. Sir Edward Carson was suggested, but Sir Edward refused to allow his name even to be considered.

On Friday evening, Lord Balcarras, who was organizing the party meeting, informed Mr. Long and Mr. Chamberlain that the bulk of the party was fairly evenly divided between support of one or the other, but that there was "a residuum which favoured another candidate." That candidate was Bonar Law. It must have been a somewhat bitter and disappointing moment for both men, but they took their medicine bravely and at the meeting on Monday Mr. Long proposed and Mr. Austen Chamberlain seconded the election of Bonar Law as the party leader. It was carried unanimously.

Max Aitken's name never appeared. He was content to be the god behind the machine. One of the great difficulties that he had to fight was Bonar Law's modest estimate of his own qualities. "Don't run yourself down," Aitken had to tell him. "Don't try to keep in the background." The campaign had been brought to success by a powerful speech by Bonar Law at a dinner of the Tariff Reform League in the White City on the evening of the day when Mr. Balfour announced his resignation. The gathering was in honour of Bonar Law, Austen Chamberlain, and F. E. Smith. Aitken afterwards described the scene :

Excitement was intense. When the dinner had been arranged no one knew that it would coincide with Mr. Balfour's resignation, but it chanced that among the guests of honour on that night were two out of the three candidates for the leadership. The third, Mr. Walter

Long, had never taken a great interest in Tariff Reform, and was not present. Each of the candidates had his band of supporters in the hall, and there was an atmosphere of keen suspense.

Mr. Austen Chamberlain was the first speaker : when he rose there was round after round of deafening applause from his partisans. Undoubtedly at that moment he had far the largest number of supporters in the room. In measured words he declared against the Referendum. " Our policy," he said, " has been fully discussed and every man and woman in the country knows what we will do whenever we are returned to power. Without need for further mandate, sanction, or approbation, the moment a Unionist Government is returned to power it will set about converting our Tariff Reform propaganda, our principles of Imperial Preference, and a fair and equal treatment for our own people, into statutory form and will place them without delay and without any qualifications upon the statute book of the country."

Bonar Law rose next. The band of his supporters was small but resolute. My wife and I led the cheering, and we endeavoured to make up by the strength of our lungs for the fewness of our numbers. The speech was far the best of the evening, and when it was over there was no need for organized cheering. Applause came from every part of the hall.

After the dinner was over, I and other supporters of Bonar Law met at his house and urged him to come out openly for the leadership. At that time I was his henchman, his inseparable companion, and part of his equipment. Three days later he was unanimously elected leader of the Conservative Party at a meeting at the Carlton Club.

On the Monday following, when driving to the Carlton Club with the knowledge that he was to be chosen as the new leader, Bonar Law was inclined to smile at himself. "Remember that you are a great man now," Aitken is said to have urged him. "If I am a great man," Bonar Law replied, "then a good many of the great men of history are frauds."

In the months that followed it became evident that Bonar Law's tactics were largely settled at week-end conferences at Aitken's home. There was need of prudence and foresight in those days, for one influential group of Conservatives, boastful of retaining the old traditions of the Tory party, still showed some resentment. "This man is not steeped in aristocratic sentiment," they said. "His rise symbolizes the new tendency in our party. Under him the essential Tory traditions are in danger of being unduly weakened. He has shown no willingness or ability to defend the national institutions, the Church, the land, or the aristocratic principle. Under him, if we are not careful, Toryism will forget its high political creed." To which Bonar Law and his friend might well have replied, "The sooner the better."

Aitken's advocacy of Bonar Law was due not alone to personal friendship. He believed that Bonar Law would be the firmest advocate of the policy of the taxation of imports of foreign food among all the possible leaders. "Then, as now," he wrote some years later, "my single purpose was the formation of a United Empire, and I realized from the outset, as any man of

practical mind and experience must realize, that food taxes were the only possible foundation of such a structure."

Aitken placed food taxation first and foremost ; in Bonar Law the first place was shared with another cause, the desire to maintain the union with Ireland, natural in one of his North of Ireland ancestry.

Aitken induced Bonar Law to make a speech at Ashton-under-Lyne openly supporting the taxation of foreign food. One immediate result was the strengthening of the opposition within the Unionist party. Mr. Balfour had, in effect, shelved tariff reform by agreeing to submit it to a referendum, and his idea had been accepted by other Conservative leaders. Lord Northcliffe had never been reconciled to the idea of a "stomach tax," as he had named it some years before, and employed all the forces at his command to delay it. Sir Edward Carson declared that the Home Rule issue was so important that no other vital issue ought to arise. Bonar Law felt unable to go on against such forces and had decided to retire from the leadership. Aitken was almost in despair. "I saw the ruin of all my hopes and plans—food taxes dropped from my party's programme and the leader driven from his post for supporting them."

Bonar Law did not resign. He felt that loyalty to his party compelled him to agree to the proposal of his colleagues to keep the question of taxation of foreign food in the background for a little while and concentrate on resistance to Home Rule. "I told him,"



wrote Aitken, "that I was resigning from Parliament and returning to Canada, but my friend persuaded me to stay here for the purpose of serving him."

There was another reason that made Sir Max think of abandoning politics. Since settling in England his health had caused much anxiety, and about this time he fell seriously ill. For weeks he fought death, and when he recovered he began to reconsider his position. Canada was beckoning him with both hands. Hard work in Parliament had lost all charm of novelty. There is little real delight for a Member of the Opposition to spend many hours day after day and often long into the night, waiting for the Division bell. And so the thought came to him of resignation and possibly of a permanent return to Canada. Late in May 1913, he visited his constituents at Ashton-under-Lyne, and amazed them at a social meeting at the Town Hall by intimating that he was "ready to make way for another man" when they desired it. The announcement was received by the people of Ashton with violent protests. "Sir Max and Lady Aitken have endeared themselves to Ashtonians of all political complexions," declared the *Ashton-under-Lyne Herald*. "By their generosity and their willingness to help forward any good cause in the parliamentary borough, they have made a reputation that will last long and honourably in the town. That Sir Max should resign would be the last thing to occur to the mind of anybody in the town, and whilst the Member himself might feel that he is not doing justice to the position he holds, he has the satisfaction of knowing that the

people of Ashton are willing to make all possible allowances. Sir Max is not in the best of health, but he is recovering, and until that recovery is complete he will not be expected to take any great part in public affairs. When he is once again in the full vigour of health—and we hope that will not be long in coming—it will be a pleasure to his constituents to see Sir Max resume his public duties.”

At the Town Hall, after thanking his constituents for all the kindness they had shown during his illness, Sir Max continued :

“ May I say a word for my wife and myself ? May I say something of the deep sympathy we have received from our Ashton constituents during our recent troubles ? We have known you now for two and a half or nearly three years. We have known you in adversity and we have known you in prosperity. We have been borne up and encouraged by the kind expressions from our constituents in Ashton. We have felt in these expressions a bond of sympathy, and we have felt some attachments which we value much more highly than possibly you appreciate.

“ Now may I say a word for my position as Member for the Borough of Ashton. I have been a failure as a Member of Parliament. (Cries of Oh no ! not at all.) Since I have come amongst you I have been shadowed by illness. I have had one illness after another, and I have been quite unable to attend to my parliamentary duties. Not very long ago, realizing how derelict I was, I spoke to the Chairman of the Conservative party, and told him that the borough of Ashton might seek another representative in Parliament if the people so wished.

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I stand in that position to-day. (We do not wish it.) I realize that the borough at present has practically no representative, for the nature of my illness is such that for a long time to come, for months and months to come, I cannot hope to sit in Parliament. I am in your hands. I have stated the situation clearly to you in order that if my constituents in Ashton think that they cannot wait for me, I am ready to make way for another man. I cannot feel quite confident—entirely confident—of early restoration to health, and in case I do not recover my health I will not be able to offer myself for re-election. I hope that such a situation may not arise. I hope that I may have an opportunity once more of upholding the principles which I will not refer to to-night, but unless I have a very considerable improvement in health it will be with the greatest regret that my wife and I will be compelled to sever our official connection with the borough of Ashton. If such contingency arises, our deepest hope is that our position in the borough will not be seriously damaged, and that we shall be able to come amongst you in the same sense in which we have come amongst you for the last two and a half years. We have felt in our own hearts that while we came to you comparative strangers we have made many friends and no enemies, and that we have lost no friends. We would confidently hope, in fact we confidently believe, that if I was compelled to sever my official connection with the borough, we may still come amongst you, that we may see these kind faces and see in your eyes that friendship which we value so highly. So long as my wife and I live we shall not sever our connection with the borough of Ashton-under-Lyne. (Cheers). To make this speech is a very great effort for me. I have the deepest regret in not being able to perform the

political services which I thought I could render to the borough. My wife joins me in telling you how highly we appreciate the tolerance and the kindness with which you have looked upon my laxness in the performance of my official duties in the past.

“ I am going off to Canada on Saturday, and I hope, under conditions which are so familiar to me, that I shall be restored to health. If it so happens that I have to sever my connection with the borough—have to give up my parliamentary position in the borough—I do hope and trust that when my wife and I come back again we may receive as kindly and enthusiastic a welcome as we have received to-day.

“ I thank you once more, and I thank you particularly on behalf of my wife. I may be permitted perhaps for one moment to refer to that lady. She has been very much to me in the last three or four months. I greatly regret that I should for one moment discuss my personal affairs, but I feel that she occupies a position in this borough which is entirely superior to my own. (Laughter.) May I pay just one compliment to her, one word of acknowledgment of all that she has meant to me, not only in my parliamentary career, but in my personal everyday life ? ”

On the following evening the Member made a triumphal tour around the local Conservative clubs. At the Central Club, Councillor G. H. Coop, J.P., the local leader of the party, gave the formal answer to Sir Max's offer to resign.

“ Never in the whole of his recollection had he seen anything that had been so touching as what had taken

place that night. At every club in the town, great and small, the places had been packed—packed to wish God-speed to a man who was leaving them to go to his native heath, where they hoped he would be able thoroughly to recuperate, and come back restored to health.

“ In addition to the reception he had received at the clubs it had been most touching to see the manner in which Sir Max was received in the streets of the town. Men, women, and children vied with one another, the children in particular in their innocent manner, in holding out their hands to a man who, if he was able to have his health, would do as much or more for Ashton than any person who ever entered it. In the street, in the factory, and in the workshop they met with the remark, ‘ Was Sir Max leaving them ? ’ No, gentlemen, he is not leaving us. The position is this :

“ If Sir Max has his health, if it keeps as it is to-day—more than that we hope it will be fully restored—Sir Max Aitken will be your Member so long as you care to send him back to the House of Commons. It is only in the event of a far more serious state of things obtaining than obtains to-day, which I say would be a dire calamity for this town, and a terrible calamity for him and his family, that he has any intention of leaving Ashton.

“ May I express not only the wishes and the hopes of you all, but the wishes and hopes of everybody in this town and the adjacent neighbourhood who know the man and know the good that he has done and the good he wishes to do, that when he returns from Canada three months hence he will be Sir Max Aitken as he was plain Mr. Aitken

when he came to this town—a man fully restored to health.”

Sir Max was received with ringing cheers when he rose to reply. He recalled his first coming to Ashton-under-Lyne, and how they had supported him because he stood for an ideal and represented a definite policy. “ I consider myself a very lucky man,” he said, “ that I should have the opportunity of voicing in Parliament these political convictions and in having, perhaps, some public influence in helping to promote policies which I consider essential to the welfare of the Empire. I care for these ideals as I care for nothing except my own family.” He continued :

“ I am so encouraged by the reception I got yesterday and by the manner in which I have been received in the borough to-day, that I am so bold as to believe that you won’t ask me to vacate my seat. (Hear, hear, and cheers, and cries of Buck up !) For the future I won’t ask your consideration again, unless unable to perform the duties attaching to the office. This great constituency is entitled to a representative who sits in Parliament, and I will not ask it unless I am in a position to fulfil the duties of the office. (A voice : You are good enough.) I do sincerely hope that I will be in a position for the faithful performance of my duties. I promised it last time, but, through no fault of my own, I have not performed it. Perhaps I am lacking in Parliamentary capacity. (No, not a bit.) . . .

“ And now I come to say good-bye to my constituents. I thought I was going to have a task, to go through an ordeal, but to-night I feel as young as the day I came to



Ashton. (Cheers.) It is a great satisfaction to me to know that I have got some personal position and some personal standing in Ashton. I thank you with great depth of feeling for your reception."

So the idea of resignation was put in the background.

## VII

### IN KHAKI

SIR MAX now occupied a very enviable position. He had firmly established himself in the world of high finance in London, although already men were ceasing to think of him as mainly a financier. A private Member of Parliament who had held no office, he yet found himself, as the friend, confidant and counsellor of Bonar Law, sought after and treated with unusual deference by leading statesmen. His circle of those who trusted and believed in him—the real backbone of any public man's power—was steadily enlarging. His eyes were already turned on Fleet Street. Mutual business interests with Lord Rothermere led to the development of very cordial relations between the two.

Sir Max, soon after his return to Parliament, sank some money out of good nature, in one of those feeble and hopeless political organs which live on the subsidies of rich politicians. After a time he escaped from it. A very different investment, and one that was to become a main influence in his life a few years hence, was the acquisition of a small interest in the *Daily Express*. Gossip soon credited Aitken with more power in moulding the policies of this paper than he was willing to admit he actually possessed.

In the summer of 1914 the situation in Ireland threatened Civil War. The Asquith Government had carried its Home Rule Bill, including all Ireland in its scope, and the North had resolved to resist by force of arms if necessary. Ulster armed and Ulster drilled. At the

suggestion of the possibility of the British Army being called upon to fight the men of Ulster, there were signs of revolt in the Army itself. A very little more and the Empire might be split in twain.

Sir Max had friends on both sides. He had close political and personal association with Sir Edward Carson, and Mr. T. M. Healy was a frequent visitor to his home. He sought to mediate, and actually induced the leaders to meet and confer. But no compromise could be arranged. Shortly afterwards the King called the Buckingham Palace Conference, when the Irish leaders on either side met. But again the same, apparently, unsolvable problems prevented agreement, and the Conference was abortive. In the end, as all the world knows, the Great War brought a temporary truce, and when later agreement was reached, the man from New Brunswick was able to play an important part in the creation of the new Free State.

His main handicap in the months before the war was uncertain health. He was now paying the price for the years of tremendous and concentrated toil when he had built up his fortune. What amazed his friends and associates was his power, even when seriously ill, of guiding and controlling his numerous interests. "That man has an ice-cold brain," said one famous editor to me, after a long interview with Sir Max, who, lying in bed with a temperature well over the century, discussed men and affairs and mutual plans with precision and decision.

Then came the Great War, anticipated and yet unexpected. For years, men had been warning the Empire of

its rapid approach. When I was last in Newfoundland, the head of the biggest paper works there showed me a letter written by Northcliffe in 1911, telling him that war would come about the summer of 1914, and directing him to shape his plans accordingly. For some years Lord Roberts had aroused the ridicule and sarcasm of His Majesty's Ministers by the urgency of his warning of danger ahead. Northcliffe, despite the sneers and jeers of the intellectuals, had employed all the powers of the greatest publicity machine in the world to awake England. Happily for us, some who counted had made ready. Winston Churchill had the Royal Navy at its stations well in time. Lord Haldane had reconstructed the Army and had given us a supremely efficient, if pitifully small, striking force. But in the worlds of finance and industry there was at first little but confusion and disaster.

When the first fury of the storm of war had passed and the nation was settling down to the long, heartbreaking task ahead, the national life had been transformed. In politics, old party barriers were broken down. In days of peace, Liberals, Unionists, and Irish Nationalists had, in the main, kept themselves within different social groups, not so much hostile as separate. But now Redmond found himself cheered to the echo by the Unionists, Radicals discovered hitherto unsuspected merits in Balfour and Bonar Law, and Lloyd George was cordially greeted by men who had hitherto denounced him as a wrecker of the nation and a robber of the rich. It seemed as though the political millennium was ahead.

At the first call of war, Canada, in common with the rest of the King's Dominions beyond the seas, had sprung to arms. From Vancouver to Halifax volunteers flocked to the colours. The First Canadian Expeditionary Force sent across the Atlantic with the utmost speed, had spent a miserable winter in the mud of Salisbury Plain before proceeding to France. Naturally, every Canadian in England wished to do what he could to co-operate.

Sir Max was appointed Record Officer, and it was his business to keep Canada and the world informed of what the Expeditionary Force was doing. He had first to arrange to secure and to keep in safe custody official documents, military diaries, and the like. Next he had to witness and describe, either in person or through his assistants, the fighting in which the Canadians took part.

Lord Kitchener, in supreme command of our military machine, had already done his best to suppress the independent war correspondent. Long before the fighting broke out, arrangements were carefully made between the Intelligence Department of the War Office and leading British newspaper proprietors for the appointment and control of a small group of representative newspaper men to accompany the Armies in the field. The correspondents had been selected and their credentials examined and approved. But Kitchener did everything that he could to delay them. When, in August 1914, unauthorized journalists hurried over to Belgium and northern France and established themselves behind the lines, the War Secretary had them hunted down and

hunted out. In place of their independent narratives, the public was supplied with soothing official accounts, issued at first under the direction of F. E. Smith. Everything that was bad was softened down ; little incidents favourable to us were magnified out of all due proportion ; disagreeable happenings were skilfully glossed over. Timidity, vacillation, and feebleness ruled the official news machine. This was not wholly the fault of those nominally in control. The heads of the Government did not really know what they ought and ought not to allow to be told.

Unfortunately for the vendors of official soothing syrup, things did not develop in the way they had dreamed. While they were issuing vapid narratives for the Press, wounded and invalid Tommies were streaming back from France with a very different tale, of guns without shells, of waterlogged trenches, and of fighting conditions more terrible than men had imagined possible. Responsible newspapers did their best to alter this, and *The Times* led the way in protest. Colonel à Court Repington, then its military correspondent wrote :

“ How long will the war last ?

“ What is far more important and to the point is to discuss what we can do to hasten the conclusion of the war. This means a certain amount of plain speaking, which frightens our invertebrates. For Heaven’s sake don’t talk of a long war ! Remember that you may prevent Italy, Rumania, or Portugal from taking a hand in it ! Allow people to think that the war will be over soon, and lead them on from stage to stage, dangling

constantly before each man the speedy conclusion of the war, like a carrot before an ass, to make him move.

"All this is part of the grandmotherly system of dealing with free peoples, born of a totally false and dangerous view of the situation. We Allies are men and not infants. We resent it when disasters are secreted and casualties doled out in homœopathic doses, so that we may be good children and swallow our pill because it is a little one. Our people are much greater than our temporary rulers—caretakers, with their deceptions, their censorship, and their half-truths. *Magna est veritas, et prævalebit.* Let us talk of truth."

Had Sir Max, as the Canadian Eye-Witness, elected to follow the first British official plan, an indignant Canadian public would have driven him out of office. He perceived at once that the only safe course was to tell the people all that they could be told without endangering military operations, and to encourage in every way the presence of independent observers and reporters in France. This was the method he adopted from the first, so far as it was possible to do so under the regulations of British Headquarters.

It is difficult to realize to-day, when the supreme fighting qualities of the Canadian Army Corps in France are universally recognized, that in the early days of 1915, many military experts regarded the value of such a force as open to question. The German authorities were convinced ahead that it was impossible to raise an amateur army that could possibly stand up against their professional organization. War, as they

pointed out in pre-war discussions, was no longer a matter of individual bravery or enterprise, and had to be conducted by an elaborate machine that could not be extemporized. Conditions, they insisted, had totally changed since the Federals, in the American Civil War, raised their victorious civilian armies. War was now a science that could only be properly conducted by experts, and experts could not be trained in a few weeks or a few months.

The Canadian Expeditionary Force was largely a civilian army. It was built up on the basis of the Canadian Militia, a fine volunteer force, but its commanders, its regimental officers and its rank and file were nearly all business and professional men, clerks and lumber-jacks, farmers and store-keepers. The officers in command of the different battalions were rarely professional soldiers. Arthur Currie—the future Commander of the Corps—was an auctioneer and estate agent ; David Watson, head of the Toronto Regiment, and later head of the Fourth Division, was a newspaper editor ; Turner, V.C., of the 3rd Infantry Brigade, later in command in Britain, was a wholesale grocer. These are typical examples. “ Would men, however brave, led by amateur soldiers like these, be able to stand up against the long-trained and professionally-led veterans of Europe ? ” was a question which many asked themselves.

It seemed, too, as though the Canadians might find themselves divided by party politics. The Canadian Premier, Sir Robert Borden, had adopted a policy of the loftiest patriotism, in which he had been well backed



by the great Liberal leaders. Sir George Perley, a Cabinet Minister hastily appointed High Commissioner for Canada in London at the beginning of the war, proved himself worthy of his place, firm, tactful, and conciliatory. But the Canadian Minister of Militia, Sir Sam Hughes, could not altogether forget that he was a politician. Energetic, active, and resolved to control everything himself, as far as one man could, his imperious methods sometimes caused anger and resentment. He cut through red tape without hesitation, but whispers were already being heard that Sam Hughes allowed politics to influence his military appointments far too much.

All doubts, all hesitations, and all controversy were stilled within a very short time of the first Canadian Division and the Princess Patricia's Regiment, which was then a separate unit, reaching France.

In April 1915, the Germans made a renewed attack on Ypres in great force and used for the first time poison gas. The Canadians were holding the line at this point, supported on their left by the French, who fell back. At first the Canadians seemed overwhelmed. Large numbers were wiped out by this new and unexpected weapon of war, and many suffered almost incredible torments before they died. But day after day the remnant held on with a tenacity which was the wonder of all. The attenuated ranks extended their lines to cover the abandoned sections. They met attack with counter-attack. Battalions were reduced to companies and some units were almost completely extinguished. But they held the line and saved the day.

It was Aitken's duty to tell the story of Ypres. He did so in a way that stirred the whole Empire. He made no secret of how the battalions had suffered or how heavy the cost had been in men, but he brought home to the world the glory of Ypres.

"The battle which raged for so many days in the neighbourhood of Ypres was bloody, even as men appraise battles in this callous and life-engulfing war. But as long as brave deeds retain the power to fire the blood of Anglo-Saxons, the stand made by the Canadians in those desperate days will be told by fathers to their sons; for in the military records of Canada this defence will shine as brightly as, in the records of the British Army, the stubborn valour with which Sir James Macdonnell and the Guards beat back from Hougomont the Division of Foy and the Army Corps of Reille.

"The Canadians wrested from the trenches, over the bodies of the dead and maimed, the right to stand side by side with the superb troops who, in the first battle of Ypres, broke and drove before them the flower of the Prussian Guards.

"Looked at from any point, the performance would be remarkable. It is amazing to soldiers, when the genesis and composition of the Canadian Division are considered. It contained, no doubt, a sprinkling of South African veterans, but it consisted in the main of men who were admirable raw material, but who at the outbreak of war were neither disciplined nor trained, as men count discipline and training in these days of scientific warfare.

"It was, it is true, commanded by a distinguished English general. Its staff was supplemented, without

being replaced, by some brilliant British staff officers. But in its higher and regimental commands were to be found lawyers, college professors, business men, and real estate agents, ready with cool self-confidence to do battle against an organization in which the study of military science is the exclusive pursuit of laborious lives. With what devotion, with a valour how desperate, with resourcefulness how cool and how fruitful, the amateur soldiers of Canada confronted overwhelming odds may, perhaps, be made clear even by a narrative so incomplete as this.

. . . . .

“The story of the second battle of Ypres is the story of how the Canadian Division, enormously outnumbered—for they had in front of them at least four divisions, supported by immensely heavy artillery—with a gap still existing, though reduced, in their lines, and with dispositions made hurriedly under the stimulus of critical danger, fought through the day and through the night, and then through another day and night ; fought under their officers until, as happened to so many, these perished gloriously, and then fought from the impulsion of sheer valour because they came from fighting stock.

. . . . .

“They suffered terrible casualties. For a short time every other man seemed to fall, but the attack was pressed ever closer and closer. The 4th Canadian Battalion at one moment came under a particularly withering fire. For a moment—not more—it wavered. Its most gallant Commanding Officer, Lieutenant-

Colonel Birchall, carrying, after an old fashion, a light cane, coolly and cheerfully rallied his men, and at the very moment when his example had infected them, fell dead at the head of his Battalion. With a hoarse cry of anger they sprang forward (for, indeed, they loved him) as if to avenge his death.

The astonishing attack which followed, pushed home in the face of direct frontal fire, made in broad daylight by battalions whose names should live for ever in the memories of soldiers, was carried to the first line of the German trenches. After a hand-to-hand struggle, the last German who resisted was bayoneted, and the trench was won.

. . . . .

"All through the afternoon and evening of the 22nd, and all through the night which followed, McCuaig had to meet and grapple with difficulties which might have borne down a far more experienced officer. His communications had been cut by shell-fire, and he was, therefore, left to decide for himself whether he should retire or whether he should hold on. He decided to hold on, although he knew that he was without artillery support and could not hope for any until, at the earliest, the morning of the 23rd.

"The decision was a very bold one. By all the rules of war McCuaig was a beaten man. But the very fact that he remained appears to have deceived the Germans. They might have overwhelmed him, but they feared the supports, which did not in reality exist. It was not in the enemy's psychology to understand that the sheer and unaided valour of McCuaig and his little force would hold the position.

"But with a small and dwindling force he did hold it,

until daylight revealed to the enemy the naked deception of the defence.

. . . . .

“ The attack was still pressed, and it became necessary to ask Brigadier-General Currie whether he could once more call on his shrunken Brigade.

“ ‘ The men are tired,’ this indomitable soldier replied, ‘ but they are ready and glad to go again to the trenches.’ And so, once more, a hero leading heroes, the General marched back the men of the 2nd Brigade, reduced to a quarter of its strength, to the very apex of the line as it existed at that moment.

. . . . .

“ The graveyard of Canada in Flanders is large. It is very large. Those who lie there have left their mortal remains on alien soil. To Canada they have bequeathed their memories and their glory.”

This is the real stuff, to use the language of Fleet Street.

The work of the Canadians at the front was, for the rest of the war, an ever-growing tale of glory. Aitken sought to make it known, not merely by the work of his own department, but by using every influence to induce G.H.Q. to allow independent observers and correspondents to come and see for themselves. His work as “ Eye-Witness ” was increased when he was appointed Keeper of the Canadian War Records. The Canadian Intelligence Headquarters soon became famous. Here was a centre where correspondents of the right kind

were not merely welcome, but were encouraged to see for themselves what was happening. With the Canadians, the right kind of visitor could go out in No Man's Land, or sink to his waist in mud in boggy trenches, could accompany the colonel of a battalion when he was testing the wires in front of an uncomfortable position, or could live for a time at least among the men holding on at desperate hopes like Hill 60, or the captured and shell-torn casements on the further side of Vimy Ridge. A soldier journalist serving in a British Infantry brigade declared after the war that he never once saw a war correspondent in the front lines. This was due, let it be said, not to the reluctance of the correspondents, but to the discouragement of the British authorities. But these complaints could not be made on the Canadian front. The publicity thus obtained was turned into a powerful weapon for recruiting and for increasing the national effort throughout the Dominion.

Before the Canadians had been in the field a year, Sir Max published a small, popularly priced volume, *Canada and Flanders*, which scored an immediate success, and was in time followed by a second. Sir Robert Borden wrote the introduction, and Mr. Bonar Law in the preface admitted that possibly, because the author was an intimate personal friend, "I take too favourable a view of his work ; but I think he has already rendered a great service and not to Canada alone. . . . The present work seems to me a model of lucid, picturesque, and sympathetic narrative, and it will have, I feel sure, a lasting value. . . . What Canada has

done and is doing shines out in every page of this book."

What Sir Max aimed at was well told in an author's note :

" I shall be content if one Canadian woman draws solace from this poor record of her dead husband's bravery ; if even one reader recognizes for the first time the right of the Canadians to stand as equals in the Temple of Valour with their Australian brothers who fought and died at Anzac ; if the task of consolidating our Imperial resources, which may be the one positive consequence of this orgy of destruction, counts one adherent the more among those who have honoured me by reading these records.

" And of Englishmen I ask nothing but that they shall hereafter think of my countrymen as ' Brothers in whom a man trusts even if a great quarrel arises.' "

The Canadian Record Office in London developed into a centre for the Canadian community during the war. Here came soldiers from the front, seeking news of others ; here came wives and mothers to discover if they were already widows and childless. The office was staffed with men who had been badly wounded or invalided in France, but who still wanted to " do their bit " in another way. The Canadian Government recognized Lieutenant-Colonel Aitken's work by giving him a still more responsible appointment as representative of the Canadian Government at the front. This brought him, of course, into the sacred circle, G.H.Q.,



LORD BEAVERBROOK, *circa 1918*





with all the authority of the Dominion and of the Canadian Army Corps behind him.

While Sir Max was carrying on his work in France, he was simultaneously taking an active part in the political struggle in England. But that is another story.

## VIII

### THE "CABINET BREAKER"

THE development of the war in Northern France in the early months of 1915 caused grave uneasiness to all in direct touch with the situation. Aitken was now at G.H.Q. at St. Omer, but had to return frequently to England, once because of an attack of pneumonia, and at other times on duty. He was present with the Canadians at the battle of Neuve Chapelle and could see for himself that this British offensive, which Sir John French had implied in his dispatches was at least a partial victory, was in truth a bad defeat. Our attack, launched at tremendous cost of life, could not be driven home. The main cause for this was, admittedly, the lack of shells.

The failure at Neuve Chapelle was only one symptom of blundering, confusion and incapacity in the supreme direction of affairs. The start of the trouble was not in France. Mr. Asquith, despite his lofty and disinterested patriotism, lacked the driving power and decision necessary for the leader of the Empire at this hour. At the Admiralty, Fisher and Churchill were at loggerheads. As Minister for War, Kitchener vexed and perplexed his colleagues. Kitchener's prestige had been of immense service in raising the New Army and rallying the people to national defence. He was one of the few men who realized at the beginning the magnitude of the struggle ahead and the need of preparations on a scale hitherto unimagined.

But he was more and more revealing certain practical defects as an administrator. He was a soldier, not a

politician, and did not understand the art of conciliating his colleagues in the Cabinet. The world at large regarded him as the supreme organizer, but those who had studied his recent record in India and Egypt knew that while he could do great things greatly, he often stumbled over smaller issues. He had not learned the art of delegating duties. When boots were urgently wanted for the new armies, he went to Leicester and urged on the manufacturers the need of increasing their output. The boots were made to time, but things even more important than boots were delayed while the War Minister was making his speech. When the big Kitchener recruiting campaign was being planned, the publicity agent responsible for the posters soon to be displayed all over the country was held up for the moment because Kitchener took so long to consider and pass the proofs. Obviously, a War Minister has no more business to correct proofs than the editor of a national daily has to set type.

Sir John French was not proving all that had been hoped. In the dark days of 1914, only Kitchener's intervention had prevented him from virtually withdrawing our sorely buffeted forces from the fighting line. There were too many intrigues centring around G.H.Q.

Northcliffe and Aitken both felt deeply that something must be done. Colonel à Court Repington had visited Army Headquarters in France, not as the military correspondent of *The Times*, for no correspondents were then allowed at the front, but as a personal guest of the Commander-in-Chief. Sir John French poured

out his heart to him, blaming bitterly the military organization at home. His complaints were duly conveyed, as Sir John intended that they should be, to Northcliffe himself. The great offensive had failed for lack of shells. Kitchener's home front was to blame.

It is interesting to compare the line taken by Northcliffe and Aitken on this occasion. Both were dissatisfied and wished to remedy things. But while Northcliffe adopted French's view and blamed Kitchener, Aitken argued that it was French's duty, as Commander-in-Chief, to know the extent of his supplies of shells and war materials before he launched an offensive, and that he ought not to have undertaken it until he was satisfied that he had sufficient. Northcliffe launched a public campaign; Aitken consulted his political friends and came to the conclusion that more could be done by pressure behind the scenes than by public clamour. In this he was strongly supported by Bonar Law, who, as Leader of the Opposition, was desirous, above all things, of doing nothing that should seem to hamper the Government in the conduct of the war.

On April 20th, Mr. Asquith, speaking at Newcastle, denied in the most emphatic fashion that there was any shortage of shells. "I saw a statement the other day," he said, "that the operations, not only of our Army but of our Allies, were being crippled, or at any rate hampered, by our failure to produce the necessary ammunition. There is not a word of truth in that statement, which is the more mischievous because, if it were believed, it is calculated to dishearten our troops, to discourage our Allies, and to stimulate the hopes and the activities of

our enemies." Mr. Asquith was of course misled, but the Prime Minister had no business at such a time to be misled. It was his duty to keep himself accurately informed.

On May 14th *The Times* published a long dispatch from Colonel Repington, dated Northern France, May 12th, in the course of which he stated that "the want of an unlimited supply of high explosive was a fatal bar to our success. The result of our attacks on Sunday last in the districts of Fromelles and Richebourg were disappointing. We found the enemy much more strongly posted than we expected. We had not sufficient high explosive to level his parapets to the ground after the French practice, and, when our infantry gallantly stormed the trenches, as they did in both attacks, they found a garrison undismayed, many entanglements still intact, and Maxims on all sides ready to pour in streams of bullets. We could not maintain ourselves in the trenches won."

Northcliffe followed this with his violent campaign against Kitchener. But it was the work done privately and behind the scenes, in which Aitken played a leading part, that made Lloyd George Minister of Munitions, although Northcliffe's campaign greatly strengthened Lloyd George's hand.

When Fisher took the extraordinary and indefensible course of suddenly resigning office and cutting himself off from all communication, the Liberal Cabinet found itself in a difficult situation. Churchill rose to the occasion magnificently and himself performed the duties of First Sea Lord during a critical week, but Fisher's resignation had one immediate effect. The strength

of the Government had been badly shaken by the shell shortage. In a day it found itself struggling for life. The Unionist leaders who, at the beginning of the war, had immediately volunteered to abandon party strife for the time and had magnificently kept their bargain, felt that they could no longer stand on one side.

Bonar Law had previously declined the suggestion of a Coalition Government. Now he realized that this was the only way out. In this he was strongly supported by Lloyd George and many other Liberals, and Mr. Asquith had no choice but to yield.

In the work behind the scenes, the negotiations, the proposals and counter proposals, Aitken took an active part, although his name did not appear publicly. On one point, however, he could do nothing. The Conservative party had resolved to sacrifice Churchill and made his departure from office one of the conditions of the deal. They had never forgiven Churchill for leaving them and for becoming one of the two great fighting forces in Liberalism. Now their chance of revenge had come and they took it.

Aitken did what he could to save his friend. He had a great admiration for many of Churchill's qualities. The brooding genius, the supreme administrative capacity—despite amazing occasional erratic blunders—and the real greatness of Churchill appealed strongly to him. But here he was powerless; Churchill had to go.

On May 19th, 1915, the Prime Minister made what must have been a very distasteful announcement in the House of Commons. Only a week before he had assured

one Member, in answer to a question, that "the admission into the ranks of Ministers of leading members of various political parties in the House" was not in contemplation, and that he was not aware that it would meet with general assent. Now he had to tell the nation that "steps are in contemplation which will involve the reconstruction of the Government on a broader, personal, and political basis."

A few days later the personnel of the Coalition Cabinet was announced. Mr. Asquith, as is already known, still retained the Premiership, and Sir Edward Grey, as a matter of course, remained at the Foreign Office. Lord Lansdowne could not, for reasons of health, join the Ministry. For the rest, Mr. Asquith missed an opportunity that was not to come to him again. The moment had come when he ought to have shared spontaneously and generously the highest offices with the other side. He took the opposite course. The Unionists had fought over the control of the Admiralty, and Mr. Balfour became First Lord in succession to Churchill. Mr. Chamberlain went to the India Office, and Bonar Law, the official Leader of the Unionist party, who should, as a matter of course, have been made Chancellor of the Exchequer, was given the minor office of Colonial Secretary.

Bonar Law must have smiled to himself as he accepted. He knew well that had he chosen to assert himself, much higher place would have been his. He was never actuated by personal ambition, and had he been, this was no moment to show it. But his friend felt the slight on him, and did not hesitate to say so.



"In the formation of the Coalition Ministry Asquith had deliberately depressed Bonar Law's position by giving all the important offices to Liberals. It was this act which set the warning death-knell of his administration ringing. I mean by this that if from the very start he had treated Bonar Law not as simply one of a group of Ministers, but as a partner and a co-equal, he could have prolonged the life of his Ministry almost indefinitely.

"He had only to make Bonar Law Deputy Leader and the real manager of the affairs of the Government to secure a smooth passage for his administration and his own titular supremacy. For Bonar Law had no objection to working with Asquith. Bonar Law liked him and admired him; it was the incompetency of his war administration to which the Conservative leader was opposed. And this defeat could have been rectified by an administrator of the Bonar Law type in a position of authority.

"Even after the original error made by Asquith in 'the First Intrigue,' there was still plenty of time for him to repair his mistake, because Bonar Law, though damaged, felt no resentment against the Prime Minister. Asquith failed to take this chance. He dealt with Bonar Law as an ordinary subordinate colleague. Consequently, the original and essential instability of Asquith's administration remained."<sup>1</sup>

Lloyd George, appointed to the new office of Minister of Munitions, worked miracles. But as the months passed it became more and more clear that the Coalition Cabinet was not proving a success. If the War was to

<sup>1</sup> *Politicians and the War, 1914-1916*, by Lord Beaverbrook. London, Thornton Butterworth.

be won, bolder steps would have to be taken than had yet been attempted and greater sacrifices demanded of the nation. The strained relations between Kitchener and some of his colleagues were tragically ended in the summer of 1916 by Kitchener's death at sea. There were intrigues and divisions at the War Office and at the front which needed stronger men than were then in control to stop.

It was over the strife in the War Office that things again came to a head. Bonar Law had done his utmost to work loyally and sympathetically with Asquith, but once more he realized that things could not go on as they were. Lloyd George had for some little time come to the same conclusion. Finally, Aitken, who was working hard in the background, brought them together at Cherkley one Sunday to discover what could be done. The immediate issue was the question, who was to succeed Kitchener at the War Office.

The authoritative account of this interview is given in *Politicians and the War*.

"At this time Bonar Law and Asquith were working in the closest harmony, while Bonar Law's attitude to Lloyd George was distinctly cold. It cannot be stated too plainly or emphatically that here, and in practically every matter in the period under review, if Bonar Law's judgment was with Lloyd George, his general sympathy was with Asquith, and that it was always with the greatest reluctance that he opposed the Prime Minister's views. Lloyd George and Bonar Law simply happened to agree on the facts of the War Office situation. The truth of the matter is that to any rational judgment

Lloyd George was the obvious man to succeed Lord Kitchener.

"When matters stood in this posture a meeting took place between the Minister of Munitions and the Colonial Secretary at my house at Leatherhead to discuss what action should be taken. The day was Sunday, and Bonar Law was to go to France next morning.

"The two Ministers arrived quite early. The conversation between them began extraordinarily badly, as is often the case between two public men who are not on close terms of friendship with one another. Bonar Law stated his complaints against Lloyd George as a colleague quite frankly. In effect, he recapitulated the Asquith case against the Minister of Munitions.

"Lloyd George met, or rather avoided, these accusations, with great tact. He did not attempt a rebuttal of the charges. He treated the past as something not worth discussing. There was only one question that mattered, he said, and that was how to deal with the vacancy at the War Office. Either a satellite of Asquith or a weak man agreeable to the soldiers would be appointed, or the War Office must fall to one of the strong men of the Government. This, he thought, limited the choice to Bonar Law and himself. Since a weak appointment would be fatal to the conduct of the War, he offered to give Bonar Law his unqualified support for the post.

"Yet even to this gesture Bonar Law did not respond very readily. It was only in the afternoon that the two men seemed to get into real touch with one another. Then, after a prolonged discussion, Bonar Law promised to back Lloyd George's claim to the War Office.

"I had arranged to travel to France with Bonar Law

next morning, but all plans had to be changed in order to carry out the new decision. Otherwise the War Office appointment might be made before Bonar Law and Lloyd George could bring their joint influence to bear. Bonar Law therefore determined to motor straight down to Sutton Courtney, the Premier's Berkshire residence, and bring him to book on the War Office issue. He was very humanly annoyed by the fact that he had previously tried to arrange a meeting with Asquith in London, and had been told that if he wished to see the Premier he must follow him into the country.

"I went with him, and sat in the car outside while he went into the house. No sooner had Bonar Law informed Asquith of the War Office discussion with Lloyd George than the Prime Minister said, 'I offer it to you.' Bonar Law replied that it was too late. Last week, he said, if he had been pressed he would have taken it. Now he was pledged to support Lloyd George. Furthermore, he had come to the conclusion on reflection that Lloyd George was the best appointment and must have the post. Asquith then agreed to make Lloyd George War Secretary.

"Bonar Law and I crossed to France that Monday evening. He stayed with me for the night at the Canadian Headquarters at Hesden. He told me to let Lloyd George know the upshot of the Sutton Courtney interview. I sent Lloyd George a telegram, vague in form but clear enough in meaning. It was intercepted for a time by the military censorship. This used to happen quite frequently, although I was at that time the representative of the Canadian Government. Messages to my own Canadian Prime Minister were sometimes intercepted. The desire was, I fear, only to show a little

brief authority, for the telegrams were always despatched in the end.

“ It was clear that the decision to appoint Lloyd George to the War Office had been forced on an unwilling Prime Minister by the joint action of the two strong men of the Government. This fact alone was sufficient to give cause for reflection ; but there was another curious and ominous feature about the actual terms of the appointment. Lloyd George was, of course, fully conversant with the nature of the Kitchener-Robertson agreement, and he had very rightly and naturally declared to all his friends over and over again that he would not take office so long as that agreement subsisted unaltered. In fact, to do so was simply to court trouble. None the less, in the following week he *did* accept the seals on exactly the same terms as his predecessor, and so became ruler of only half the War Secretary's field. Apparently, an interview with Field-Marshal Robertson gave him a fallacious assurance that no friction was to be anticipated.

“ Two aspects of a single fact stood out in glaring light from this transaction : the Prime Minister had made a forced appointment, and he had done it in such a way that it was almost certain to bring the new Secretary of State into conflict with the soldiers, who wanted him there no more than did the Prime Minister. Here we have the situation which contained within it one of the potent causes of the downfall of the second Asquith Administration, of the disruption of the Liberal party and, gathering a momentum of results in its course as a falling boulder sweeps down an avalanche, finally produced the second Coalition Ministry.”

As a result of that meeting, Lloyd George became Prime Minister and the head of a transformed War

Cabinet of five members, with Bonar Law as Chancellor of the Exchequer and Leader of the House of Commons. This Cabinet was, in effect, a Committee of Public Safety, responsible for the supreme direction of the War, and the rest of the Ministers were left to concentrate their energies on their own particular tasks. Sir Max could have had a place in the Ministry had he desired it, but he was not then seeking it. He was rewarded, however, with a peerage, and, taking his title from New Brunswick, became the first Baron Beaverbrook.

## IX

### MINISTER OF INFORMATION

TOWARDS the end of 1917 I found myself one evening seated next to the new peer at a public dinner. As neighbours will on such an occasion we discussed together in casual fashion many things. Beaverbrook told me of his growing interest in Fleet Street and in the *Daily Express*, which he had now taken under his charge. "I am giving up money-making," he said, incidentally. "It no longer interests me." Shortly afterwards there came a public announcement that he had resigned all his directorships.

This was in keeping with the doctrine which Beaverbrook had long preached, that it is the business of men who aim to be really successful to make money when they are young and then, with financial security behind them, to give their minds and strength to other things. The middle-aged and elderly millionaire who is the slave of his investments is to be pitied, as most of us who have come across them can testify. They can give themselves every external luxury, but have little or no capacity for enjoyment. They lose touch with the best things of life. The wife, with the husband's ever-increasing and ever more absorbing business raising a barrier between them, finds other interests to fill her life; the children sometimes drift away. This is no imaginary picture, as all who know will agree. The curse of Midas is a very real thing. Let me quote here Beaverbrook's own words:

"To the young my advice would be, 'Succeed young, and retire as young as you can.'

“The fate of the successful who hold on long after they have amassed a great, or at least an adequate, fortune, is written broad across the face of financial history. The young man who has arrived has formed the habit and acquired the technique of business. The habit has become part of his being. How hard it is to give it up ! His technique has become almost universally successful. If he has made £50,000 by it, why not go on and make half a million ; if he has made a million, why not go on and make three ? All that you have to do, says the subtle tempter, is to reproduce the process of success indefinitely. The riches and the powers of the world are to be had in increasing abundance by the mere exercise of qualities which, though they have been painfully acquired, have now become the very habit of pleasure. How dull life would seem if the process of making money was abandoned ; how impossible for a man of ripe experience to fail where the mere stripling had succeeded ? The temptation is subtle, but the logic is wrong.

“Success is not a process which can reproduce itself indefinitely in the same field. The dominant mind loses its elasticity ; it fails to appreciate real values under changed conditions. Victory has become to it not so much a struggle as a habit. Then follows the decline. The judgment begins to waver or go astray out of a kind of self-worship, which makes the satisfaction of self, and not the realization of what is possible, the dominant object in every transaction. There will be plenty of money to back this delusion for a time, and plenty of flatterers and sycophants to play up to and encourage the delusion. The history of Napoleon has not been written in vain. Here we see a first-class intellect going through this process of mental corruption, which



leads from overwhelming success in early youth to absolute disaster in middle age. The only hope for the Napoleon of Finance is to retire before his delusions overtake him."

There came an invitation to Beaverbrook to join the War Ministry as head of a newly created Ministry for Propaganda. Mr. Lloyd George and his colleagues were in great difficulties over publicity. The Powers were slowly beginning to realize that here was a weapon which, rightly used, might be worth an army corps. The Government had spent vast sums of money on stating Britain's case to the world, but without much success. Books and pamphlets had been produced in great quantities, almost regardless of cost, to find their way to the incinerator or dustbin. £60,000 a month and more was being paid and most of it wasted. Beaverbrook had shown what he could do in organizing Canadian war publicity. He was already a member of the Cinema Committee, one branch of national news services which had shown real imagination and enterprise. He was steadily taking a more and more prominent place among the leaders of Fleet Street and he seemed naturally marked out for this new post.

Even most of those who admitted propaganda to be a powerful weapon of war, regarded it with suspicion, dislike and with some fear. The Germans were reported to be spending fabulous sums—200 million marks a year was the figure commonly given—in suborning venal journalists in neutral countries, coercing others,

buying up great newspapers, broadcasting highly coloured news by wireless, and the like. Some British agents had on their side tried to rival the agents of the Central Powers in lying and in colouring and suppressing news. The most striking example of this was the tale of the corpse factory, where the bodies of their war dead were burned by the Germans to extract material for manufacturing explosives. This tale, widely spread and widely believed, was the invention of a Fleet Street leader writer, who openly boasted of the success of his imaginative effort.

The history of British propaganda up to this time can be briefly told. Early in the War a department—at first secret—was created at Wellington House, under the direction of Mr. C. F. G. Masterman, the most unlucky of statesmen, assisted by Sir Gilbert Parker and others. This devoted itself mainly to the production of books and pamphlets in different languages. The War Propaganda Bureau, as it was known, was merged in 1916 in a larger organization, the Department of Information, under the direction of Colonel John Buchan, the distinguished publisher and novelist. The Department of Information was divided into four sections—publications, cinemas, political intelligence, and news. It sent its agents into different countries and spent, in 1917, about £750,000.

There were widespread complaints that this Department was badly organized and that its funds were inefficiently controlled. The policy of some of its chiefs seemed to be to get things done regardless of cost. A

Parliamentary committee issued a scathing report of its activities and well-known publishers like Sir Arthur Spurgeon and Mr. (afterwards Sir Robert) Donald, dotted the Parliamentary i's and crossed the t's. £126,000 was spent in one year for cables, mainly to one well-known agency ; and the Managing Director of this news agency held high office in the Information Department. Orders were given to publishers for books and pamphlets on almost any terms they chose to ask. Much of the printed matter was badly distributed, and some of it unsuitable. Large supplies of Russian appeals were printed, to be scattered among a people who could not read. Sir Ernest Shackleton told how he found nine hundred bales of war propaganda literature, from fifty to eighty pounds each in weight, lying in sheds and warehouses in South America. When distributed they were out of date.

The critics were specially severe on the sums spent on entertainment, although the total of these was comparatively trivial. One Member of Parliament was allowed £30 a month for hospitality and no accounts required. An official invited a foreign visitor to dinner at his house and charged for the dinner in his expenses account. Five pounds was spent on cigars and £30 on drink for a party of American journalists visiting Dublin. (Incidentally, this would amount to about three-quarters of a cigar a day for the visitors during their stay, which does not seem an excessive amount.) "Everyone does what seems right in his own eyes in that department, and is left practically free to carry out

his own devices," one Parliamentary critic declared. Obviously a propaganda department cannot, in war time, have all its expenditure checked with peace time tests, but there was a general feeling that the central control was inadequate. Sir Edward Carson was the Cabinet head of the Department in 1917, but did not seem to take a very active part in its proceedings.

Lord Beaverbrook was formally appointed in February 1918 "Minister to take charge of propaganda" and Chancellor of the Duchy of Lancaster. He summoned several experienced organizers of big business to his aid, and began a complete reorganization. The well-known firm of chartered accountants, Deloitte, Griffiths & Co., was asked to advise on the system of accountancy to be employed. It recommended a new plan of checks on all expenditures, which was adopted. This, later, was made a weapon of attack on the Minister, on the grounds that he should have waited for the Treasury to initiate reforms in the control of expenditure, in place of securing them on his own. Larger premises were taken, the Howard Hotel in Arundel Street, where the work of all the departments was centralized and greatly extended. The estimated expenditure of the Department of Information for the financial year 1918-19 had been between £1,800,00 and £1,900,000. After the reorganization was completed Beaverbrook was able to inform a Parliamentary committee that the estimates had been reduced to £1,200,000, an amazing thing in those war-time days when the saving of money seemed to most officials the least

important detail. As a matter of fact, the actual expenditure for the year 1918-19, was just over £1,000,000, but, of course, the War ended before the financial year was over.

Beaverbrook's assistants resolved to show other Departments of State an example of business efficiency. On the first day that the Howard Hotel was open, several of the chiefs arrived soon after half-past eight in the morning. Here, however, they found themselves met and defeated by an unexpected enemy—the Government charwomen. To the charwomen, accustomed to more leisured ways, these early hours seemed indecent and inexcusable. One lady of the mop and duster vigorously spoke her mind. "For twenty-five years I've chared at Whitehall. No gentleman ever comes before ten in the morning, and gentlemen as is real gentlemen, don't come before eleven!"

In addition to the voluntary services of experienced business men, directors of banks and of great companies, Beaverbrook enlisted the aid of a number of prominent authors, chief among them Arnold Bennett, who took high place inside the Ministry. Soon the work of war propaganda sprang to fresh life. The propaganda in enemy countries was by mutual agreement left to Lord Northcliffe, who conducted it on his own with great success from Crewe House, but the Howard Hotel became the nerve-centre of widespread and varied activities at home and in neutral and allied countries. If money was spent freely, care was taken to see that twenty shillings of value was received for every pound

sent out. Hospitality was largely employed as a weapon and leaders of public opinion from the Dominions, America, and other countries, were brought to England, taken on visits to the Army in France, and shown what the people were doing in the munition factories. The cinema was employed on an ever-increasing scale. Still photography was pressed more and more into service, and artists were commissioned. The greatest efforts were made to explain the British case to the American people.

Unfriendly eyes were watching every move. On August 5th, on the eve of a Bank Holiday, the critics in Parliament had a great field-day. The attack was led by Mr. Leif Jones, who did his best to find nothing right either in the old Department of Information, or in the new Ministry. Section after section came under his lash, the news department, the propaganda in foreign countries, the production of films, and the fact that Lord Beaverbrook did not receive a salary. Some of Mr. Leif Jones's points are too delightful to miss.

#### *The News Department.*

"The news department is the imaginative department, the fiction department, the body which dresses up the facts for presentation to the public, a most important function, and one leaving scope for individual imagination and individual propaganda, which again may be very dangerous if not exercised with the greatest possible care."

#### *Foreign Propaganda.*

"Admittedly the propaganda in foreign countries

has not been of any very great value, judged by its results. I think I may say it was a dead failure in Russia. A vast number of books and pamphlets were sent out there, but those who sent them appear to have been forgetful of the fact that eighty per cent of the Russian people do not read. What was needed, we are told, was that men who knew the Russian language and were acquainted with the country should go out, but such men are very difficult to find. There are not many English people who know Russia and are capable of penetrating into the minds of the Russian people. It is a difficult thing to do. Vast sums of money were spent on doing things which in their very nature could not reach the people in foreign countries whom it was desired to reach. Another mistake was that after the Revolution we continued to send cables to Russia from newspapers in this country which were well known to sympathize with the old regime, and I cannot imagine anything more foolish on the part of this country than to be sending after the Revolution messages and despatches from sources which were notoriously unfriendly to the Revolution in Russia."

*Lord Beaverbrook's Honorary Work.*

"I prefer Ministers with salaries. Ministers with salaries are answerable to the country which pays them. I do not believe in placing a great department in the hands of unpaid men. If you really want to induce responsibility you must pay men for their work. We may have an unpaid Minister saying to us if we complain, 'We do your work for nothing, and we decline to be talked to by paid Members of Parliament.' I very much prefer that Ministers should be paid salaries commensurate with their work."

Another cause of Mr. Leif Jones's ire was the fact that the chiefs of the new Ministry were mainly business experts. "Lord Beaverbrook is a man interested in commerce. He is a director of seven companies. He takes an interest in banks, in power companies, in railways, and in newspapers." Even an assurance from the Chancellor of the Exchequer (Mr. Bonar Law) that Lord Beaverbrook had given up all his directorships did not placate the speaker. "My information was otherwise," he snapped. The same taint of commerce went through the staff. Mr. Snagge, Secretary to the Ministry, was a Director of Barclay's Bank; the man in charge of propaganda in the Far East was Mr. Cunliffe Owen, Chairman of the British Tobacco Co. This was too much even for a sturdy Radical like Mr. MacCallum Scott, who rose and asked if Mr. Leif Jones knew of any individual who had more valuable connections throughout China and Japan for purposes of propaganda than Mr. Cunliffe Owen. Everyone who knows the amazingly efficient and widespread machinery of the British-American Tobacco Co. in the Far East will agree with Mr. MacCallum Scott.

### *Films.*

Mr. Leif Jones saw Beaverbrook manipulating national opinion through control of cinema production. "He controls all the official film business, and I suppose he is the sole producer—at any rate, sole censor—of what films shall be produced. See what an immense power that puts in his hands! Take, for example, the great



film, *The Man who saved the Empire*. (An Hon. Member : ' Who is he ? ') It is in Lord Beaverbrook's power to decide that. He has to put the portrait in the film. He can put the Prime Minister in ; he can put General Haig, or Admiral Beatty, or Lord Beaverbrook. It is in his power to decide who is the man who really has saved the Empire."

*The Growing Peril.*

The danger from this Minister and Ministry was only beginning. " Is it true, that Lord Beaverbrook wishes to take over the control of the war correspondents at the front ? We at home have been accustomed to get messages comparatively free from interference from correspondents at the front. Is it true that Lord Beaverbrook is going to do this ? I want an answer to that question. Another thing : visitors go to visit the front. Is it the case that Lord Beaverbrook insists on being the shepherd-in-chief to all the visitors to the battle front ? (An Hon. Member : ' Nonsense ! ') Is it true, too, that Lord Beaverbrook wanted to get into his hands the political intelligence department of the Foreign Office and the Admiralty, and that now he wants the War Office ? If so, is the Government going to give it to him ? These are questions on which I desire information. But he is going further. He appears to desire control of the wireless world. He wants to control the news to be flashed all over the world. . . .

" News is gathered to a centre, sorted, sifted, and strained through Government strainers and then dis-

tributed to the world. Newspapers are to be controlled, and will publish Government news. Wrong opinions will be suppressed. The Empire is to be advertised."

Mr. Denniss : " All this for nothing ? "

Mr. Jones : " All that for nothing. I ask my hon. friend opposite, are they to do all that for nothing ? What does he think ? He is familiar with business. Does he think that this is all being done for nothing ? (An Hon. Member : ' No ! ' ) I regard the whole thing with suspicion. I admit I am prejudiced, but I think the whole thing is detestably vulgar."

Mr. Leif Jones was outdone by Mr. Pringle, the chartered libertine of Parliamentary debate. When he began to consider " this strange, extraordinary, anomalous Ministry," his imagination ran away with him. He drew an horrific picture of the evil it could accomplish.

Another critic discovered danger in the very efficiency of the Ministry : " The period up to February 1918 was certainly one of great confusion and chaos. The officials and officers overlapped and fought with each other in all quarters. But with the organization of the funds in February of this year a totally different scene presents itself. Now we all find very able and influential men at the head of affairs. This creates a new phase, a new situation with which we have to deal. The great risk now before us is that the very ability, influence, and energy of these eminent men may so far extend their forces that the Ministry of Information may speak with its own voice and then, perhaps, with the voice of the Foreign Office or the War Cabinet."

Mr. Swift MacNeill found an opportunity for his barbed tongue : " Let me give the reasons why I object to this Ministry. First, because it has not been created by Statute ; secondly, it is the twenty-fifth Ministry which has been started since the war began, and its personnel consists largely of people who are not Members of this House, and not responsible to this House. I object to it likewise because, to use the words of Mr. Lecky in regard to another transaction, the control of finance is permeating the whole situation. If anyone who did not know the facts were looking at this Ministry for the first time they would say, ' What is this but a sty of guinea pigs.' "

Anything that the Members of the Government could say in defence must sound tame after attacks such as these. Mr. McCurdy deplored the tone taken by some of the critics and the indefinite charges raised by them. " I protest," he declared, " that even though the Government be the present Government, even though the Department be the Ministry of Information, even though the Minister be Lord Beaverbrook, there ought to be some sense of fair play, and some sense of decency before charges of this sort, without one tittle of evidence being adduced in support of them, are bandied so loosely across the floor of the House."

Mr. Ronald MacNeill defended the use of the cinema for propaganda purposes : " I was surprised to hear objection from the Right Hon. Gentleman because the cinema was used for propaganda purposes. It seemed to him entirely beneath the dignity of this country.

He appeared to resent the idea that such a beggarly thing as a film should become 'betwixt the wind and his nobility.' In these days you have to take advantage of the various forms of disseminating information which are known to the public and are valued by them. Recently we have had articles written, speeches made, and sermons delivered as to how the best use can be made of the picture palace for increasing its value for educational purposes, lecture room purposes, and in other directions. It seems desirable to take every means we can, new or old, to put our views in this world war before the nations, and in the vivid form of the cinema we can not only tell our views, but what deeds have been done. That being so, I think it is extraordinary that this modern, up-to-date educational engine, the cinema, should be spoken of so scornfully. The cinema should be used by us as far as we possibly can use it. My noble friend (Lord Beaverbrook) is endeavouring to use the cinema as much as he can in, I believe, all parts of the world, and I have not the slightest doubt that it is a very valuable means of propaganda. I believe that the money expended is one of the most valuable expenditures that has been undertaken."

Beaverbrook and Northcliffe were very good friends, but the older man somewhat resented the suggestion that he was, as Director of Propaganda in Enemy Countries, in any way under the control of the Ministry. He took an opportunity to make this clear in a letter to *The Times* immediately following the Parliamentary Debate :

“ In view of a misconception due to erroneous statements in Parliament, as to the relative positions of the Ministry of Information and the Directorate of Propaganda in Enemy Countries, I would be glad if you would allow me to disavow any share of the credit for the present great efficiency of much of the propaganda of the Ministry of Information. The improvement is entirely due to Lord Beaverbrook.

“ As Director of Propaganda in Enemy Countries, I have no other connexion with the Ministry of Information than the same close and cordial relations which exist between Crewe House and all the great Departments of State. I am responsible, not to the Ministry of Information, but to the Prime Minister and War Cabinet, to whom I report direct.”

For some time after the formation of the War Cabinet very close relations existed between Beaverbrook and Lloyd George. The Canadian had done more than anyone else to place the Welsh statesman in supreme power, and everyone who knew anything of the inner history of the time was aware of this. Possibly Lloyd George resented the fact being known. What a puzzle this man is ! No one who is not purblind denies his greatness. He led the country through the most difficult final stages of the Great War as no one else could have done. As an orator he stands, at his best, head and shoulders above all rivals. He can captivate, enthuse, enrapture, and inspire men almost at will. His wonderful personality and his charm have been praised, and justly praised, by pens almost innumerable. The Empire and this world owe him a debt of gratitude that

can never fully be repaid. And yet, after a time many who have been his most enthusiastic admirers turn away from him, colleagues become cold, and worship turns to criticism. Why? Beaverbrook once wrote that men received the impression when they came to know him that Lloyd George was playing for his own hand and not for the success of the team.

Beaverbrook's explanation of the cooling relations between Lloyd George and himself was :

"For the last two months of the War I was not a frequent visitor at Downing Street. The cause was my zeal for the Ministry I presided over. As Minister of Information I made a great feature of inviting the editors of newspapers in the Dominions and in neutral and allied countries to visit Britain. Better than any pumped-in propaganda abroad was this method of making the leaders of the Imperial, neutral, or allied Press themselves the propagandists when they returned home. In the Dominions especially this was the strongest card in the hands of my Ministry and the method undoubtedly produced a great effect. But no editor in the world was satisfied to leave England unless he could say that he had seen Lloyd George. As a consequence I was compelled to put forward many requests for such interviews. Mr. Lloyd George felt he was being pressed too hard and began to decline such demands on his time. I then hit upon the device of sending Lord Northcliffe to the Prime Minister to ask for such interviews—and he invariably succeeded, although I was a member of the Ministry and he was not."

The very heavy work and the anxieties of his Ministry brought about a break in Beaverbrook's health. He kept on until the Armistice was declared, and then promptly resigned office. Arrangements were quickly made for the closing of the Ministry and it was entirely abolished within a very few weeks, a record in war establishments. A Debate in the House of Commons on November 7th, 1918, on the vote of money for the Ministry, gave several Members an opportunity to justify to the effectiveness of the work that Beaverbrook had accomplished.

Mr. Grant said :

“ I think it would be a pity if the discussion came to an end without one member of the committee giving expression to what is undoubtedly a large body of feeling which has nothing but admiration for the work which the Ministry of Information has carried out. One or two honourable Members have asked what the Ministry of Information have done, and rather suggest that they have done little other than the excellent work they accomplished in the entertainment of American soldiers and in taking care of the editors from foreign countries when they came to visit us. But circumstances have allowed me exceptional opportunities of seeing the work which has been done by the Ministry of Information in South America. Recently, I have passed through all the states of that great continent and have had exceptional opportunities of seeing the work which the Ministry has done there. As the Committee is aware, there is a very strong German element in South America, and they would not be surprised to hear, if they did not know it already, that every effort was made by

German propagandists to put forward their views in order to turn the population from the Allies towards the enemy. No money was spared, no stone left unturned, every effort, however unscrupulous, was used, to put forward the enemy point of view. I do not think it is too much to say that if it had not been for German propaganda in South America, two or three of the greatest states there would long ago have been on our side, and not still neutral, as they are.

“The entrance of the Ministry of Information into the field has created a tremendous change of feeling in South America. For the first time, these people have had facts instead of lies. They have gradually been able to realize that the aims of the Allies are their aims, and that their interests are our interests, and I cannot help thinking that the work which is being done there deserves eulogy from anybody who has any real information with regard to it.

“This motion is put down as a nominal reduction of expenditure. It makes an attack on the expenditure. Though I dare say there has been some waste, and a certain amount of reduplication, and possibly expenditure that was unnecessary, yet whatever the expenditure has been, it has been an undoubted success, and it has been simply nothing compared with the expenditure which has been incurred by enemy propagandists in that country. From the experience I have had, I feel that I should not do justice to my conscience if I did not take this opportunity of paying the highest tribute to the work I have seen done by the Ministry of Information, which came late into the field in South America and which had enormous obstacles to overcome. They have overcome them by an exhibition of brilliant ability and by an effort which deserves our greatest



commendation. I should like to take this opportunity of associating myself with the expressions of regret which have been voiced at the illness which has overcome Lord Beaverbrook. I cannot help thinking that it was to his keen insight, his determination, his ability, and his restless energy, that the success achieved has been very largely due."

Sir Hamar (now Lord) Greenwood followed in the same strain :

" I am, myself, only an acquaintance of Lord Beaverbrook, but I am bound to confess this, that his career at the Ministry of Information has been one of the most successful careers of any Minister in this Coalition Government. He actually rescued from the Germans the neutral countries and America by launching out on a system of propaganda, the success of which can be vouched for by everybody who has been in those countries both before the Ministry was established and since its work has commenced. I would appeal if the work of the Ministry was not good work for the allied cause in the United States. This Ministry has done two great things, to which I would like to draw the Committee's attention, and especially the attention of the Hon. Gentleman, the Member for East Finsbury, who obviously has not followed this most valuable movement up to the present, nor realized its prime importance in the development of the future of the world. Not only did Dominion journalists come to this country, but journalists came from all the Allied countries and from neutral countries, and especially from our great Ally, in fact though not diplomatically, the United States of America.

" It cannot too often be borne in upon this House that American people are not walking in step in everything with the people of this country or of this Empire. There are wide differences of opinion, deep-seated differences, not yet removed. The Ministry of Information has done more than any other department in English history to remove misconceptions and to re-establish a better feeling between the old Mother Country and the great United States of America. . . .

" There is one other point in regard to which the Ministry of Information has wrought possibly better than any of its personnel realize. It has brought together the remotest parts of the Empire. It has strengthened the feeling which is not always as keen as some people try to make out, between different parts of this Empire and the Mother Country. It has made us closer allied to our American kinsmen. Whether the Ministry is continued in its present form or name or otherwise, I hope that the better, kindlier, and closer feeling that has been brought about by that Ministry will be continued in some shape or form by the Ministry, if necessary, strengthened. To let it all drift back again until the Mother Country becomes the isolated part of the English-speaking world would be a calamity which no man who looks a year ahead, let alone a century, would view without deep dismay. I join with other Hon. Members who have expressed regret that Lord Beaverbrook lost his health. I understand that he has gone on four or five months complete leave owing to his work at the Ministry. He deserves credit for what the Ministry have done. I can speak in compliment of the work he has done, because I know him but little, and was one of those who doubted the wisdom of his appointment at the beginning. It would be only in keeping with the

traditions of the House, at any rate, of fair play, and common sense, to pay a tribute where tribute is due."

It may be interesting to add that the actual expenditure for the Ministry's last financial year amounted to £1,088,157 4s. 11d.



COVENANTER'S SON—CRUSADER



## IN FLEET STREET

I HAVE always believed that had some Good Fairy come to Lord Beaverbrook in his early days and offered him any life that he chose to ask, he would have elected to be a reporter—special correspondents they call them nowadays—on an active London newspaper. He was born for Fleet Street, and soon after his arrival in London had fallen under its charm. The damp smell of printer's ink and of the galley proofs fresh from the composing room, the roaring music of Hoe, Crabtree, and Goss from the basement, where hundreds of thousands of copies are being poured forth each hour, the sizzling vats of white metal in the Victor machines turning out stereo plates like peas from a pod, the rush in the reporters' room, and the ever-present knowledge that keen rivals are on your heels ready to pass if you pause for so much as a moment, give life full zest. Fleet Street is alive.

Beaverbrook had never concealed his affection for the printing press. I referred briefly in an earlier chapter to his first somewhat unhappy venture in Fleet Street. On one occasion in a speech at a dinner of London news-agents, he told the story.

“ I had a friend who spoke to me about a newspaper and asked me to take some shares. I listened to him and I bought the shares in that newspaper. But I found there was a weekly, fortnightly, and monthly bill of costs to be paid, and I got tired. I said to my friend, ‘ You had better sell the shares,’ then I waited. But the bills still continued to come. I said to him, ‘ What

about those shares ? ' He replied, ' No one would buy them.' I said, ' You had better give them away.' Another week and month passed and again to my surprise the bill. I said, ' But I told you to give those shares away,' and he answered, ' I cannot give them away ; no one will take them.'

" Indeed, I had to pay £5,000 in actual money to get someone to take those shares. It sounds incredible, but it is true. I need hardly say that that particular newspaper is now defunct."

Among the more struggling daily newspapers in London in the years immediately preceding the War was the *Daily Express*, which had been established by Sir Arthur Pearson as a rival to the *Daily Mail*. Pearson was a man whose public life divided itself sharply into two parts. The latter Pearson was the blind leader of the blind, who illuminated the inner lives and saved the souls of thousands who had lost their sight. Pearson lost his own sight through over-work, and particularly through persistng in working on long railway journeys. He had been known as an aggressive and somewhat pugnacious periodical and newspaper publisher, who, following the lines of Northcliffe and Newnes, had won success. He acquired the nickname of " England's champion hustler " at a time when to be a " hustler " was esteemed by many the supreme virtue. Taking on himself the rôle of Chamberlain's chief press advocate in his tariff reform campaign, Pearson had enlisted the aid of some of the greatest manufacturers, and had played for big stakes in Fleet Street. He had bought the famous old morning *Standard*,

and in attempting to transform it had wrecked it, had started the *Daily Express*, and found himself plunged in a battle of giants, in which he was somewhat over-weighted.

When, at the height of his busy life, Sir Arthur Pearson lost his sight, his very nature seemed to change. The somewhat impatient and self-assertive "go-getter" developed patience and serenity of soul. He turned his energies from personal ambition to the training, the encouraging and the inspiring of others who, like himself, had lost their sight. In St. Dunstan's he created a memorial that will never die. He taught the blind to help themselves, and what he did for the men who lost their sight in France and Gallipoli in the Great War cannot be told in words. He won immortality and a prominent place in the affection of the world after the calamity had come which he must at first have thought had wrecked his life.

When Pearson started the *Daily Express* for the purpose of rivalling and surpassing the *Daily Mail*, Northcliffe did not lose much sleep. He printed an editorial in the *Daily Mail*—I myself wrote it—welcoming the new venture and wishing it well. But the *Daily Express* did not go well for some time to come. Its early years were stormy.

After a time, Ralph D. Blumenfeld, an American journalist who had first come to London as correspondent of the *New York Herald*, and had latterly served as one of the editors of the *Daily Mail*, took control. To-day, Mr. Blumenfeld is one of the honoured veterans of Fleet Street, held in universal esteem.



When, in 1927, the London Press celebrated his 25th Anniversary as an editor, every section joined to do him honour. In his earlier years in London Blumenfeld was eminently likeable, tremendously active and exceedingly well informed. He was one of the few ideal reporters I have met, with a vast fund of knowledge of men and things in the background of his mind, for he seemed to know everyone and to have been everywhere. After a short time in Carmelite House, Blumenfeld had had a dispute with Northcliffe over some item of newspaper management and Northcliffe had finished up by declaring contemptuously that Blumenfeld would never make a successful editor. Blumenfeld strode angrily out of the office, resolved to show Northcliffe that he was mistaken.

But at first Northcliffe seemed to be right. Despite all Blumenfeld's efforts, the *Daily Express* could not make real progress. He was driven back at point after point by lack of sufficient funds. The financiers who were backing it got tired after a time of finding more capital. A few years after Max Aitken settled in London, Blumenfeld induced him to make a small investment in the paper. During the war years the production of newspapers was more difficult than ever, and in 1918, a few months before the Armistice, things reached a crisis in Shoe Lane, where the *Express* had its offices. More capital must be had, and the men who held the controlling shares refused point-blank to give it. They offered, on the contrary, to sell their control for £17,500. Blumenfeld took the offer to Beaverbrook, and after consulting with Lord Rothermere and reflecting over the matter

for a little time, Beaverbrook agreed to accept. Incidentally, the *Daily Express* had lost £40,000 the previous year. Beaverbrook knew, of course, that the purchase-money was a small fraction of what he would have to find during the next few years, but I doubt if even he realized the hundreds of thousands of pounds that would be required in rapid succession before the paper was turned into a success.

There is a great deal of nonsense talked about the place of the proprietor in the conduct of a great newspaper. To read some critics who apparently have never penetrated beyond the reporters' room or the literary editor's office, the proprietor is a kind of monster who, by brutally and ignorantly exercising the power of the purse, overrides the men who really know the business of newspaper production, compels editors to proclaim doctrines in which they do not believe, and ties budding genius to the relentless wheels of dividend making.

There are in Fleet Street, as in every other human enterprise, good proprietors and bad. But the good proprietor can be of tremendous service in creating a supreme newspaper. All in Printing House Square would agree, I would imagine, about the good work of Major Astor there; in Bouverie Street the men of the *Daily News* thought themselves happy when Mr. Henry Cadbury came daily to the office, and I have yet to learn that Lord Rothermere or Mr. Cecil Harmsworth is the oppressor of Northcliffe House. A good proprietor, standing midway between business manager and editor, can help both. Sometimes he is the centre of the social life of a paper, bringing the different groups of

workers together as no one else could do. Sometimes he is the direct inspirer of new enterprises, and since it is his money that in the main finances them, he can settle and authorize details with expedition and finality. I am not alone when I say, Give me every time the right kind of proprietor before a dominating board of directors in newspaper management. I have worked under both and know.

There are, of course, proprietors of other sorts. The most offensive and objectionable are the rich men, cotton millionaires, mining magnates, shipping kings, or the like, who, knowing nothing of Fleet Street, invest extravagantly in some enterprise, spend foolishly on it, and then often enough withdraw on a whim, leaving hundred or thousands of unemployed behind them because they have not found the personal glory or profit in newspaper ownership that they expected.

Beaverbrook learned a good deal about Fleet Street before he resolved to make it the next stage of his life's work. He knew that the Street of Adventure is at once the most catholic and the most exclusive of all places. Fleet Street demands that a man entering it shall devote his main care to it, be he proprietor or reporter, and shall place the interests of his journal first. The title of honour, a "newspaper man," has a meaning exclusively its own. Everyone in Fleet Street senses what it is, even if outsiders find it difficult to understand.

Beaverbrook resolved to make himself into a real newspaper man. He sat down to learn the business of newspaper production just as he had sat down to master British politics, and, before that, finance. He took over

an upper floor in the *Daily Express* office in Shoe Lane, and reserved for his own use an enormous room with windows on three sides, giving an outlook towards St. Paul's Cathedral and the Thames. "It is a room completely panelled in light oak," wrote an American journalist after visiting him there. "Sunshine-colour curtains brighten the London light as it filters through, and four electric heaters around his desk make the room seem flooded with sunlight and warmth even on a foggy day.

"There is no sign that this is an office except for the telephone on the floor at his side. In the alcove behind his chair stands a grand piano, blue-covered lounge chairs occupy other alcoves, and in one of them stands a huge divan. The books on the shelves have nothing to do with newspaper work. They are old leather-backed editions of classic volumes.

"Every night of his life Lord Beaverbrook dines here like a workman lunching on the job. Other newspaper owners have kept in touch with affairs by assiduous dining out. Lord Beaverbrook reverses the process and lets the mountain come to Mahomet by dining at home."

He spent most of his time in his Shoe Lane office, mastering every detail of printing, of distribution and of editing. He devoted much time to understanding the somewhat intricate relations between the various unions of the workers connected with newspaper production and the management. He discovered a fresh interest in machinery. He was for ever asking questions. "I want to know all about it," he explained to someone

who expressed surprise at his attitude. "I am learning journalism now."

From the beginning, he made his position clear on the question of newspaper finance. He regarded a daily paper as, in the main, not a source of dividends, but an instrument of public service.

"I never intended the *Daily Express* Company to be a concern simply devoted to earning the highest possible dividends for its shareholders," he once explained. "I take a view of my own as to the responsibilities of newspapers. I think that when a newspaper shareholder has received a good return on his investment, any additional profits which may accrue should not go to increased dividend, but should be devoted to improving the newspaper for the benefit of the reader and of the advertiser who uses it. It follows that I believe the *Daily Express* should not pay its maximum possible dividend until it is a perfect newspaper. Anyone who does not agree with the conception should not invest in the *Daily Express*."

This did not mean that he had come into Fleet Street to waste his money or to squander it on quixotic adventures. He started to build the financial foundations of his paper firmly.

The battle for a front place in popular journalism had to be fought primarily and mainly with the *Daily Mail*, which was edited with extraordinary skill, and had behind it an elaborate distributing machinery which covered the country, and which could not be quickly or easily duplicated. The *Daily Chronicle*, despite its big capital, was not so much to be feared. It was soon

to acquire the reputation of being Lloyd George's tame mouthpiece, and once a newspaper is suspected of being muzzled to a particular interest it is almost fatally handicapped. The general public will no more remain loyal to a "kept" newspaper than it will respect a "kept" woman. The *Daily News* was making headway, but had not yet attained the strong fighting position that it holds to-day in the new phase of its history as the *News-Chronicle*, under the brilliant editorship of Mr. Tom Clarke. Moreover, it was badly hampered by a poor system of distribution, and distribution is the very life-blood of a newspaper. The *Morning Post* and *Daily Telegraph* only came into this competitive field to a limited extent.

Behind the machinery of the popular press lay personalities. Beaverbrook knew that his main battle must be with men—not with machines. Three stood out as his chief competitors, Lord Northcliffe, his brother, Lord Rothermere, and the editor of the *Daily Mail*, Thomas Marlowe.

## XI

### RIVALS AND FRIENDS

**W**HEN Beaverbrook entered Fleet Street he realized that his most serious rival was the brains behind the *Daily Mail*, Lord Northcliffe. Here was a born leader of men, who owed his power, not to his great wealth, or to his position as chief proprietor of many papers, but to the force of his dynamic personality. No journalist had ever before played so large a part in world affairs, or had loomed so big in the public eye. A score of novelists had made him the central figure of their romances. He was the hero or villain of many plays. The pamphlets and books praising him or attacking him were even then a little library in themselves. His enemies hated him with a virulence that was almost pathetic in its furious impotence. His friends and colleagues admired and feared him and would work for him with an enthusiasm and devotion which the promise of material rewards alone could not arouse.

Everyone knew the outline of his history. Descended on his maternal side from Scottish yeoman farmers, who lived on their own land in Peebles-shire for many generations, he was born in County Dublin, the son of a barrister, and of a strong, practical, clear-sighted woman of Northern Ireland. He was raised in Hampstead, one of a large family, mostly sturdy sons, and in his early teens he chose his future life-work, journalism. He became editor of his school paper. He wrote for a boys' weekly published by the Ingrams, of the *Illustrated London News*. The editor mentioned his







name alone for special commendation at the end of one year, and a few months later the proprietor offered the schoolboy, then only sixteen years old, the editorship. But the paper was already doomed.

His parents wanted him to go to Cambridge ; he determined to conquer Fleet Street. When he was eighteen, he set up for himself and shared for a time a bed-sitting-room with Herbert Ward—since famous as an explorer—in Battersea Sweep, a depressing row of cheap lodging-houses near Clapham Junction. He lived on a pound a week, and often found it difficult to earn it. But he had at least one good meal when each Sunday he walked to his father's house in Hampstead and told of his wonderful triumphs. He explained that he came on foot for the exercise ; really he walked because often enough he could not spare the money to pay his bus fare.

Hard times in his teens gave him a sympathy for struggling writers which he never lost. Battersea Sweep was followed by a valuable experience in Coventry on a cycling paper. The cycling boom was at its height, and young Harmsworth won many prizes at track racing, at that time the favourite sport of athletic young men. In Coventry, then as now one of the most efficient, strenuous and original cities of the Empire, he learned practical business habits.

He was twenty-one when he made a fresh start in Fleet Street. He had been married a few weeks before. The boy husband and girl wife, both looking much younger than their years, marched boldly forward. The wife typed her husband's work, and was at every turn his wise counsellor. Alfred Harmsworth started *Answers*,

and on it built a fortune. He obtained the necessary capital for development by a fluke. An inventor sold him the *Answers* puzzle, which became a popular craze and sold by the hundred thousand. The puzzle cost a penny or two to make and retailed for a shilling. Thousands of pounds ready cash poured in. He called his brothers to his aid, and brought out weekly after weekly. In a few years the Harmsworth periodicals were earning a profit of over £100,000 a year. Then came a venture into daily journalism, the purchase of the Portsmouth *Evening Mail*, followed by the London *Evening News*, and the launching of the *Daily Mail* in 1896. He was at that time thirty-one years old, a millionaire.

The *Daily Mail* revolutionized popular journalism. The old, dull, stodgy paper, with its long reports of political events and of crime, its poor sub-editing, and absence of human interest, could not face this young, vivid, virile rival. Ill-informed critics who let imagination take the place of facts, wrote as though the coming of the *Daily Mail* marked a backward step in the history of Fleet Street. Really, it transformed a murky alley into a shining highway.

It made the morning paper the organ of the man in the street as well as the man in the club. It pioneered the way for the broadening of woman's life. For the individual journalist it brought a better rewarded and fuller life. Fleet Street has done well to raise a memorial to Northcliffe, for when he came there, the average working newspaper man thought himself well paid with £5 a week. Before his death, the junior reporter was

receiving £9, and outstanding writers were earning incomes that might compare with those of other professional men. His rivals abused, attacked, and scarified Northcliffe, but they had to imitate his methods and follow his lead. He made the *Daily Mail* the most successful newspaper in the world.

Then he tackled *The Times*. The great Walter dynasty of Printing House Square had grown feeble. The paper which the genius of Delane had raised to front rank was now living on its past reputation. It was still calm, judicious, and scholarly, but it was also dull, stereotyped and unenterprising. It remembered what it had been and seemed to think that ancient glory sufficed. Its crusade against Parnellism and its acceptance of the forgeries of Piggott, struck a vital blow at its reputation and nearly ruined it financially. John Walter was forced to sell. Northcliffe snatched the paper out of the hands of his rival, Arthur Pearson, and began the hardest task of his life, the restoration of its fortunes. He knew that *The Times*, despite all the mistakes and lack of enterprise of the past two decades, yet had a prestige and a power possessed by no other paper. To the outside world, *The Times* was the voice of England. It spoke with authority. Great scholars and leaders of affairs contributed to it, statesmen made it their confidant, and the world trusted it.

Arthur Pearson had intended to revolutionize *The Times*, and in doing so would have destroyed it. Northcliffe set about retaining all that was good in the old, respecting ancient prejudices, and maintaining dignity and authority unimpaired.

When Northcliffe's experts entered Printing House Square to reorganize its finances on a sound basis, they found conditions that almost drove them to despair. Moberly Bell had been brought from Egypt some years before as General Manager, and had done his best, but the task was too great for any one man alone. The paper was run like a great Department of State. Tradition ruled everywhere. Accounts were kept as in the days of our great-grandfathers.

Northcliffe himself was fond of relating a tale to illustrate the conditions that prevailed. Soon after Moberly Bell had established himself in the office, he noticed in the monthly statement of accounts laid before him one item of £30 for John Smith, of Southampton. Who was John Smith? he asked. Nobody seemed to know, so a note was sent to Southampton asking Mr. Smith to come to London and call on the manager. A reply was promptly received that Mr. Smith was ill and unable to travel. The following month Bell again queried the item and once more sent a message to Smith. Again came the reply as before. This time Moberly Bell responded with a sharp telegram demanding Mr. Smith's early presence. A day or two later, a little man called on Moberly Bell, who maintained open office in his room facing Queen Victoria Street, and presented a card bearing Smith's name.

"So you are Mr. Smith, are you?" asked Bell.

"No, sir," replied the little man timidly. "I am not Mr. Smith. He is ill. I am his friend."

"What is the matter with Smith?" demanded the manager. "He's ill, sir, I tell you. He's ill." At last,

much persistence and patience elicited the fact that Mr. Smith was in a mental home at Virginia Water, and had been there for twenty years !

Now why had Mr. Smith been paid £30 a month all this time ? A very old employee was at last found who was able to answer the question. In the days before the cables were laid to South America, Smith had been employed as a local correspondent at Southampton, whose business it was to go out to incoming ships from Rio and Buenos Aires, obtain papers from them, summarize their main news and telegraph it to London. The cable had made Smith's work unnecessary, but his salary went on !

Northcliffe transformed *The Times* and nearly ruined his health and broke his heart in doing so. For a year he left the old editorial group largely to themselves, re-organizing the business administration and adding to the news services. The men in charge allowed him to spend his money, but resented his advice. Then, when they had failed to make good, he took a stronger hand. Day by day he started work in bed between four and five a.m. analysing each issue. By noon, pages of type-written suggestions and directions had arrived at the editorial office. Nothing was too small to escape Northcliffe's scrutiny. The old answer to suggestions for change, " It has always been done by *The Times* this way," was found no longer of any use. The new proprietor re-made *The Times* and restored its ancient glories, and the great prosperity of the paper to-day is built on what Northcliffe did.

When Beaverbrook came to Fleet Street there were

signs that Northcliffe had already passed his meridian. He had lived so intensely and worked so hard that he was burning himself out. But still he stood supreme.

When one attempts to analyse the cause of his dominance, I am inclined to put first the intense vitality of the man, and next, his deep human sympathy. He lived every second of every waking hour. His perceptions were extremely acute: his judgment of men and things was almost uncanny.

I have known in my time many great workers, but never one to approach him. As I said earlier, he would start between four and five o'clock in the morning, in bed. The daily papers would be brought to him, and he would fall on them. He had a battery of telephones by his bedside, and early in the day he would be arousing editors and business associates, pouring out messages to them, giving instructions and asking for information. Interviews and conferences started between ten and eleven, and went on with slight intermission until six o'clock in the evening.

Yet he never allowed work to absorb all his mind. He loved music and loved children. He could invent games, organize tumults, and spread happiness. The people who imagined him as an over-masterful dictator would scarcely have recognized him seated at the piano with a group of boys and girls around, playing tune after tune for them.

He was keen on sport, an enthusiastic fisherman, and one of the earliest motorists in Britain. He loved machinery and loved travel. Some of his first wealth was used to pay the cost of an Arctic expedition. He

would not take up golf until he was forty; then he flung himself into it enthusiastically. The one thing that could entice him from work was a great golf match.

He looked for the coming of aviation. One Saturday night the sub-editor of a weekly paper was watching the tape machine. A message came through that Colonel Cody, an American who had been generally looked upon up to this time with amusement by serious folk, had succeeded in raising himself in such a way that he had hopped over a hedge from one field to another that afternoon at Aldershot.

The sub-editor had barely read the message before there came a ring at the telephone. It was the Chief speaking. "What are you going to do with this Cody story?" Northcliffe asked. The sub-editor did not know, but he had thought it might be worth a small paragraph at the bottom of the page. "Splash it," came the quick direction back. "Splash it over a page and a half if you like. Don't you realize, my boy, that this is the most important event that has happened in our time? This is the beginning of human flight."

And so it was. But Northcliffe was apparently the only man who recognized it. He backed up the progress of aviation in this country with thousands of pounds, and with something still more important—sympathy, the support of his newspapers, propaganda, and unceasing work.

When journalists from the ends of the earth came to interview him, he interviewed them, and he always had a special welcome for writers from the Dominions or from America. He constantly visited America, and sent



over his leading writers to keep in touch with the West. He was so overwhelmingly interested in life in all its aspects, that he had a way of discovering attraction in what to many men would be the most routine and wearisome topics.

I remember on one occasion being present when a manufacturer of confectionery came to see him about a scheme for giving Christmas presents to a large number of poor children. In a quarter of an hour he had explored the whole subject of sweet-making, from the wages and hours of the girl employees to the latest devices for wrapping goods to attract the public. He told the manufacturer about some new machinery he had seen a few months before when visiting America, and about a line of sweetmeats that had become popular in France. To have listened to the conversation you would have imagined that for a large part of his life he had been in the confectionery trade himself!

He engaged the best men he could find and paid them the best prices, but they were the first to admit that it was he who shaped their policies, who thought out fresh plans, and who gave the final touch that put things in shape. Often enough, his ideas startled and alarmed even those who had worked closest with him, although six months later they found that he was right. I well remember one of his editors remarking to me one day with a long face, when a new line of policy had been taken, "Well, the Chief has been right before even when we thought he wasn't, but this time he is wrong." But a few weeks proved that it was the editor who was wrong.

He had an almost childish delight in surprising people by the minuteness of his knowledge of their affairs. He gave close personal attention to what most people would think minor things and accuracy in detail was a passion. On one occasion I had to prepare a special number of a House organ for the *Daily Mail*, containing the names of many members of the staff. I saw my paper to press at 1.30 in the morning and sent a proof to the Chief in the country with his regular morning bundle. A few minutes after nine he rang up one of my staff. "Your spelling is wrong," he said. "Look down the list of compositors—Trinnick. The man's name is Trimmick, not Trinnick." Trimmick was a compositor, one of the Fathers of the Chapel in the Manchester office of the *Daily Mail*. "I am the only one who knows how to spell the name of everyone on the staff of my papers," Northcliffe added. As it happens, Trimmick was the only name spelt wrongly in all of those lists, but he had spotted it. The staff of the *Daily Mail* numbered at that time just on 3000.

It is not too much to say that the rank and file of his workers, who only saw him at a distance, almost worshipped him. There was good reason. He often fought his directors and managers to secure better and better conditions for them. He established a five-day week for all except the responsible heads. When other newspaper proprietors came to ask him to join in a plan for forcing down the wages of compositors, he refused.

"Are you aware, Lord Northcliffe," asked one rival proprietor severely, "that these men are so overpaid that they are riding to work on motor-cycles?"

"If I get my way," said Northcliffe, "they will all come in their own motor-cars and I will have a special garage for them."

I was once in one of his main printing offices and mentioned to the master printer who was with me how I had been struck by a recent special issue which they had produced. "Yes," said the master printer cheerfully, "and the Chief thought the same thing about it. Look at this letter that arrived to-day." With the letter was a cheque for £200 which Northcliffe instructed was to be distributed among all the men who had had anything to do with the mechanical production of that number.

A dangerous man to have to fight even in friendly rivalry. With Northcliffe were two others who had to be reckoned with, first his brother, Lord Rothermere, and then the editor of the *Daily Mail*, Thomas Marlowe. Between the two brothers there was a vast difference. Rothermere, who had resigned a post in the Civil Service when a young man in order to join his brother, was regarded by the business world as the balance wheel of the Northcliffe enterprises. "Alfred Harmsworth supplies the genius, Harold Harmsworth the common sense," said outsiders. If by this outsiders meant that Northcliffe lacked business sense and business caution, they were absurdly wrong. But it is true that Lord Rothermere was, from the first, and is to this day, a supreme business man. I doubt if he makes any secret of the fact that business success is his main concern. Cautious, far-seeing, and safe, he has made himself one of the richest, if not actually the richest, man in Great Britain.

In the early days it was a tradition in the Harmsworth establishments that while Alfred dazzled the public, Harold built up reserves. His associates said that when he was earning £10,000 a year he was still living in a house rented at £60. This was not meanness. When Alfred, with the irritability of genius, would have a furious row with one of his leading men and cast him out, Harold—if the man had done good service for the House—would look after him and see that he was provided with another post.

Harold Harmsworth shared, like Beaverbrook, in the great Canadian boom of the early part of this century. He invested largely in Canadian real estate and cleared a fortune. When Alfred, weary of the enterprise, got rid of the *Daily Mirror*, his brother took it off his hands and in a few months turned a liability into what rapidly became a journalistic gold mine, a two million two hundred thousand pound company paying thirty per cent on its Ordinary shares.

Northcliffe worked himself to death; Rothermere possesses the gift of delegating work to others and having it properly done. He prides himself on having an office free from impedimenta. On one occasion an American publisher went to see him to conclude a contract for a big enterprise. He found Rothermere seated in an easy chair by the fire reading a volume of Dickens, and anxious to discuss the merits of *David Copperfield*.

"This man is too easy," said the American to himself. Half an hour later the American walked out of the office realizing that somehow Rothermere, in spite of his love of Dickens, had secured that contract on the terms that he wanted.

When Rothermere was Air Minister, one would find the offices around him buzzing with activity, telephones constantly ringing, messengers coming and going, and typists working at top speed. But if you penetrated beyond these offices to the inner room, there Rothermere sat quietly, with no sign of rush around. He knew that it was his business to make the big decisions ; he had chosen men fitted to carry out the details, and left them to do so.

Thomas Marlowe, long the editor of the *Daily Mail*, cannot be left out. A recent unofficial biographer of Northcliffe made no mention of Marlowe and afterwards justified himself on the ground that Marlowe had played no important part in Northcliffe's life. Few, if any, who knew both men, will agree with this. Marlowe, an Irish medical student who became a journalist in London, and had risen from the ranks, was a supreme executive and something more. He was an editor who could be relied upon at the greatest crisis to keep his head, to make decisions quickly and to make them right. People trusted him and those under him knew him to be fair and square. Sought and courted by Society because of his power in his editorial chair, he when at the height of his power hired another man to carry out most of his social duties and lived quietly in a south London suburb. Not that he was a hermit ; for he kept in touch with men who counted more effectively than editors who haunt drawing-rooms.

He was never dominated by money-bags, and if occasion called for it, would pour out gold without hesitation. But his big ventures for the paper usually returned



*Examiner*

*Law and The Star*

"LOW'S" FIRST BEAVERBROOK CARTOON



abundant interest. Thomas Marlowe, in retirement to-day, will go down in the history of Fleet Street as a great traditional figure, one of the worthy editors of our age.

These were three of the men Beaverbrook had to keep in mind when making his plans, and he knew it.



## XII

### THE BATTLE OF THE *DAILY EXPRESS*

**I**F Beaverbrook had ever expected that life in Fleet Street would be a bed of roses, he was quickly undeceived. "There is surprise after surprise," he once said, "for the man who is connected with a newspaper, and particularly if it is a morning newspaper. He usually gets his surprise over the telephone about the time he should be getting his breakfast. On Monday morning it is the story of a competitive insurance scheme; on Tuesday it is something to do with the packers; Wednesday, number nine press has broken down and the folders won't work; on Thursday there is a libel suit; Friday morning is profit and loss account, and you will probably never digest your breakfast on that morning; and on Saturday morning your newspaper has missed the first page story which is carried by your rival. Every day a newspaper grows more and more exciting."

The first three years were hard. To revive an almost derelict newspaper is an exceedingly difficult task. A *Sunday Express* had by now been added to the week-day edition, and it took some time and various experiments to discover an ideal editor for it. The post-war boom brought much increase in advertisements and circulation, but conditions in other ways were heartbreaking. The worst snag of all was the appalling price of newsprint, the life-blood of every journal. In the day immediately before the Great War this could be bought for less than 1d. a pound; during the war it went up to 6d., and even in the early 'twenties the London news-

paper proprietors, bound down by war-time contracts, were paying 4d. a pound.

At first the full meaning of this may not be clear to those outside Fleet Street. This extra cost of newsprint must have meant an extra expenditure for the *Daily Express* of about £1,200 a day ! This was only one item, although the most important, in the regular and unavoidable outlay.

But fresh expenditure had to be devised, fresh staff enlisted, fresh schemes for news services and circulation advanced. In the most successful circulation scheme, Free Insurance, *Mail* and *Express* sought to outbid the other. When one offered to insure its regular readers for £1000 the other doubled the amount. £3000 became £4000, then £5000, and finally mounted to £20,000 if husband and wife were killed together. Other papers had to follow suit, and a very heavy load was piled on the popular dailies. Certainly circulation was secured, but whether it was worth it at such a cost is still an open question.

When, after the death of Northcliffe, Lord Rothermere acquired the control of the *Daily Mail*, he created a holding company, the *Daily Mail* Trust, which acquired Northcliffe's 400,000 deferred shares of Associated Newspapers (the company which owns the *Daily Mail*), and later other shares. Rothermere and Beaverbrook recognized the possibility of the *Express* and the *Mail* carrying competition to a point which would damage both. To prevent this, each was given a financial interest in the other, without control, the *Daily Mail* Trust holding 171,425 shares in *London Express*

Newspapers and Lord Beaverbrook holding 120,000 in the *Daily Mail* Trust.

From the point of view of immediate returns, this was a very profitable transaction for Beaverbrook, because the *Daily Mail* Trust was soon paying 40 per cent on its capital, while even after Beaverbrook had turned the corner with the *Express*, he followed his declared policy, refused to pay high dividends and turned most of the profits back into the development of the paper. He explained the reasons for this in a letter to Lord Rothermere: "To sum up, I do not personally regard newspaper holding as a purely commercial business in which every penny of the profit goes to the shareholders, and I have always given perfectly frank expression both in public and in private to these views."

Beaverbrook had fixed ahead in his mind's eye the kind of paper that he desired. It was to be like the *Parisienne bien soignée*, the elegant Parisian lady, well turned out, attractive, charming, with her serious side—yes, but also with an attractiveness that would capture the hearts of all who came to know her. Above all, the *Daily Express* must not be dull. Unusual space was given every day to humour, both humorous writings and humorous drawings, and "Beachcomber" and "Strube" soon became familiar names throughout the country. The claims of women to consideration in every part of the paper were recognized. The policy of making the front page a page of news and not of advertisements was maintained, despite great financial temptations. Above all, the *Daily Express* sought to be the organ of youth. The older generation had said its say

and had done its work ; now give the young people a chance to show what they could do. The only difficulty here has been that the young people have not yet proved their qualities in the way that was expected.

The political policy of the paper required careful planning. The Coalition was already showing signs of strain. Was Lloyd George to be supported or opposed ? A meeting between Lloyd George and Beaverbrook largely restored for a time the old friendship between them. In the Khaki General Election, the *Daily Express* stood by Lloyd George's side. Its support was unusually important then, for Northcliffe had declared war to the knife on the Premier and was using all his journalistic forces to oppose him. Careful observers noted, during the three or four months that followed, that under what was often enough a deliberately extravagant way of proclaiming its views, by big type and sensational messages, the *Daily Express* was generally advocating a sound and moderate policy. It stood almost alone in opposing Winston Churchill's anti-Bolshevist expedition to Murmansk and his support of the White Armies, now generally recognized as one of the bad breaks in Churchill's career.

A great fight was waged to secure the repeal of the ban on Canadian store cattle entering this country, a ban started to minimise the risk of affecting British herds with disease. But Canadian cattle were well known to be free from disease, and the law was greatly resented. The British Government had pledged itself at the Imperial War Conference of 1915 that the embargo would be removed after the war, but was not keeping its word.

Beaverbrook felt strongly on the matter. He first tried to move the Ministers by private representations, and when he found that that could not be done he opened a public campaign, fighting without gloves. Here he came up against the full forces of the Conservative party machine. He organized the opposition to the re-election at Dudley of Sir A. Griffith-Boscawen as Minister of Agriculture and succeeded in defeating him, although Griffith-Boscawen was an old friend. He was thereupon personally attacked with a venom rarely met in British politics. The Committee of the Carlton Club suggested that he should resign his membership. Some Conservative leaders dealt with him as little better than an outcast. The *Morning Post*, now under the editorship of Mr. Gwynne, who had been among Beaverbrook's warmest supporters when he first came to England, developed an acrimony in discussing his doings which it has revealed on many subsequent occasions. A collection of the *Morning Post's* choice epithets against him would form entertaining reading. Speakers and writers, not obscurely declared that Beaverbrook was financially interested in securing a better market for Canadian cattle in England. *Punch* gave him a page cartoon by Bernard Partridge, nicknaming him the "Baron of Beeferbrook," and showing him as a drummer riding atop of a newly landed beast, beating kettledrums by his side, and singing.

In the end, Beaverbrook won. The Government left the issue to a free vote in both Houses of Parliament, which approved the removal of the embargo. But

victory was purchased at heavy cost. The friendly relations existing between Beaverbrook and a number of Ministers were sharply broken, and the Conservative machine was out to make things as uncomfortable for him as possible.

In the opinion of some well-informed politicians, the greatest service that Beaverbrook has ever been able to do for the Empire was his work behind the scenes in helping along the Irish settlement. As has already been stated he established friendly relations with Mr. T. M. Healy and other Irish leaders in the days before the Great War, despite the fact that he was in Parliament as a Unionist member. After the Armistice, the Coalition Government determined to suppress rebellion in Ireland by force of arms. A new gendarmerie was recruited, the "Black and Tans," young fellows fresh from the front, and an amazing guerilla war began between the Republicans and the British forces. The Republicans stayed their hand at no outrage. They shot British officers when sleeping peacefully in Dublin hotels, they ambushed and wiped out isolated bodies of troops, they burned the houses of supposed British sympathizers and often enough murdered the inhabitants. But the "Black and Tans" on their side replied to outrage with outrage, good measure pressed down and running over. Ill-disciplined and poorly controlled, they got out of hand. As the details of what was happening became gradually known, a feeling that this thing must end grew among moderate men on both sides.

But how was it to end? In Ireland, the more

moderate Home Rulers were threatened almost equally by the Republicans and by the extreme Loyalists. To advocate compromise seemed to be to invite death.

Beaverbrook talked the matter over with Mr. Healy and plunged the *Daily Express* into a battle for peace. Here he risked the goodwill and support of a large part of the paper's old readers. The nation had become somewhat hardened to battle and was in no mood for what it thought weak-kneed concession. Conservative feeling was strongly hostile and the men whispered darkly that Beaverbrook was willing to betray the country and to shake hands with murder. Bonar Law himself was opposed to his old friend.

But Beaverbrook kept on. The open advocacy in the columns of the *Daily Express* partly concealed another campaign that he was conducting behind the scenes. He knew that Lloyd George would welcome compromise, for Lloyd George and he had frequently discussed the matter. At this moment the two were somewhat estranged again. Beaverbrook saw some of his friends on either side, particularly F. E. Smith and Winston Churchill, and urged the need of arranging terms. F. E. Smith brought about a meeting between Beaverbrook and Lloyd George which once more led to a renewal of friendly relations. When the Irish delegates came to London, their case was in danger of suffering because of their lack of knowledge of how to conduct negotiations to the best advantage. Here Beaverbrook's counsel helped very much. To the outside world, the final stages of the Irish settlement came with surprising suddenness, but it was the skilled planning that had gone

on ahead that made this possible. Beaverbrook greased the wheels that enabled peace to slip through. Ireland gasped at the reports that followed the arrival of Beaverbrook's yacht at Dun Laoghaire Harbour during one of the most critical moments in the struggle. On the Friday evening the Governor-General and President Cosgrave dined aboard. On the following day they set sail. When at the end of the second day the yacht had not yet returned, Ireland believed that Beaverbrook had kidnapped the pair and had shut them up in a cabin with an order to find a way of settling the border counties dispute if they ever hoped to see land again !

For the proprietor of a daily paper to mix freely with statesmen and yet to retain impartial independence is difficult. Northcliffe kept as much away from office holders and office seekers as possible, and never dined out if he could help it. Beaverbrook's temperament inclined towards personal contact, and he had to suffer accordingly. Every supposed lapse of the *Daily Express* was blamed by his friends on him. Lloyd George broke their renewed friendship because the *Express* implied that Lloyd George had inspired the attacks which removed Austen Chamberlain from the Chancellorship of the Exchequer. When the Coalition Ministry was seen to be in difficulties, Beaverbrook was blamed. Every week-end gathering of his political friends at Cherkley was noted, and became the subject of dark rumours. It was true that Beaverbrook recognized that the Coalition had outlived its usefulness, and used his influence to persuade the Conservatives to end it. They did, and Bonar Law became Prime Minister.



It is not my purpose to tell the story of the *Daily Express* in detail during these years, except so far as it directly illustrates Beaverbrook's personal development and activities. But there is one journalistic adventure which must not be omitted, because it illustrates another phase of his work, that of a special correspondent. In the autumn of 1921 he paid a visit to Berlin and saw Germany's efforts to recover from the war. He published a series of articles in the *Daily Express*, arrestingly written, in which he mentioned that Germany was on the eve of a catastrophic collapse in the value of the mark. Within a very short time his forecast was proved true. These articles gave the *Daily Express* the beginnings of its reputation on the Continent of Europe.

### XIII

## THE TWO MILLION MARK

THE death of Lord Northcliffe in the summer of 1922 affected the entire British newspaper situation. It is true that for some months illness had prevented him from taking his usual part in the conduct of affairs, but even when invalid and shut out from the world, his influence was felt. Following his death great changes came in newspaper control. Lord Rothermere naturally became chief proprietor of the *Daily Mail* and increased the market value of its shares within a few weeks by many hundreds of thousands of pounds. Rothermere had also hoped to secure the control of *The Times*, but here he was blocked by an unexpected obstacle. Lord Northcliffe had always treated the Walter tradition with great respect in Printing House Square, and on one occasion he had agreed that if, at his death, the Walters bid the same for *The Times* as any other would-be buyer, they were to have the preference. To the surprise of the Rothermere interests the Walters took advantage of this. On the day when the Rothermere bid was made in open court, counsel for the Walters said that they would take up their option. They had found a fresh backer in Major Astor, and *The Times* began a new and still more splendid chapter in its history. But it is a chapter that would never have been opened had not Northcliffe, by his reforms and reconstruction, laid the basis of the new prosperity.

Newspaper deals followed in a way that amazed the world. New stars were appearing in the firmament, chief among them the Berry brothers, the sons of a

Liberal political agent in Merthyr Tydvil, who had come to London in modest fashion some years before and have forged right ahead. One brother, later entitled Lord Buckland, had begun in a minor post in the office of Lord Rhondda, after being dismissed by a Merthyr Tydvil draper as not "smart" enough to make good. He made himself in the course of a few years, in association with the Rhondda interests, one of the most powerful financiers in Britain and an active director of more companies than any other man. His prosperity did not spoil him. To the end, all of his old friends in the Welsh mining town spoke well of him, although the Merthyr Tydvil draper still could not understand how his young assistant had gone so far. When Lord Buckland was killed in an accident, everyone who knew him mourned him.

His two brothers, Lord Camrose, commonly known in Fleet Street as Bill Berry (sometimes with an agreeable adjective before the "Bill"), and Sir Gomer, to give their later titles, had started with a small paper in 1901, the *Advertising World*. From it they had gone on to some popular weeklies and had gradually built up what is now far and away the greatest publishing business in the world. In the early 'twenties, they had not yet come to their full estate, but were just beginning to play a big hand in the newspaper game. When Sir Edward Hulton sold his considerable newspaper interests, a series of deals followed, in which they took a part, which left Lord Beaverbrook with the control, not only of the *Daily Express*, but of the *Evening Standard*.

He had now a double field of newspaper work which

demanding careful guidance. In the *Evening Standard* he was fortunate in having as his chief editor E. R. Thompson, the brilliant author of *Tell England*. The difficulties here were not so much financial, because London evening papers had been reduced in number so much that a considerable market was assured. But there were problems of production to be faced before really suitable printing machines could be had, and the collection and arrangement of news had to be transformed. Step by step the paper developed its character. The *Evening Standard* to-day is unique among the evening journals in Britain. It has a distinct entity, a soul of its own. Dean Inge preaches in its columns to world-wide audiences. Arnold Bennett, who, even in the days when he was editor of *Woman* and "Jacob Tomson" of the *New Age*, proved himself to be the most entertaining literary critic of our time, gives here the literary judgments of his more mature years. It unites scholarship, dignity, and popular appeal, and delights at once the man in the club and the man in the street.

The friendly battle between the *Daily Mail* and the *Daily Express* was proceeding apace. Under Rothermere's direct inspiration, the circulation of the *Daily Mail* jumped up by leaps and bounds. The million figure had long been left behind. A million and a half was passed and two million seemed in sight. A circulation like this, which makes the sales of even the greatest American newspapers seem small, is not obtained without the most elaborate and far-reaching organization. Distribution services have to be planned throughout

the country, so that even the most outlying village on the Yorkshire moors and in the Devonshire forests shall be quickly served. But while the *Daily Mail* was rushing ahead, men saw that the *Daily Express* was getting closer and closer to it. Beaverbrook and his directors were not content with duplicating their paper in Manchester ; they also brought out a Glasgow edition at great cost, that Scotland could be covered early each day. The *Express*, too, topped the million, left a million and a half behind, and then sailed past a million and three quarters on its road to the goal.

But the battle was no longer between two papers only. The *News-Chronicle*, with a daily circulation of just on a million and a half, was keeping both Shoe Lane and Northcliffe House awake wondering what fresh enterprises it was planning. The *Daily Telegraph*, rejuvenated under the ownership of the Berry brothers, was steadily regaining its ancient place and power. Labour was turning the *Daily Herald* into a real newspaper, as Northcliffe had long since advised it to do. And London could reflect with pride that it had a popular daily press which for enterprise, honesty, restraint and interest, would more than stand comparison with the newspapers of any world capital.



*London*

LADY BEAVERBROOK

*London*



## XIV

### READJUSTMENT

**A**LREADY things had been happening that were to shape the years to come. The first of these was the sudden death of Lady Beaverbrook from heart trouble on December 1st, 1927. Let me here print what was fittingly written by Lord Birkenhead (F. E. Smith) at the time, under the title "The Loss of a Friend":

The news of Lady Beaverbrook's death will bring poignant grief to her many friends.

She was a lady of remarkable personality; descended from a distinguished family of Canadian soldiers—the Drurys.

She did not depend for the position which she ultimately acquired in English society either upon her ancestors or even upon the extraordinary talents of her distinguished husband.

She depended upon herself alone. She had a breeding, a beauty, a poise, and a judgment which would have recommended her to any society in Europe at the most critical moment of that society.

She had great humour and great humanity. She saw life sanely and saw it whole. She had a charm and a kindliness in social life which will not soon be forgotten by her friends.

She was a great friend of mine, and a great friend of Bonar Law. I shall not forget that when the Coalition fell she rang me up and urged me to retain the Woolsack. "You know," she said, "the interest I take in your career." She was essentially womanly, and being womanly she was incredibly understanding. She made allowances easily and generously.



And she possessed gifts which have been denied to many feminine politicians. She spoke admirably in public without affectation, without strain, and always with a charming femininity. I recall particularly the speech which she made as hostess of the New Brunswick school teachers at the Hyde Park Hotel a year ago. She stood before her guests—a radiant figure—and with a simple and exquisite charm welcomed them to England and explained the purposes of her invitation. It was my duty to follow her, and I could not think of one single thing which was worth saying which she had not already said.

It is hard to believe that we shall not again see in life this kindly, gracious, attractive and intelligent lady. She left three children, two sons and a daughter.

Two years later Beaverbrook announced that he was retiring from the control of the *Daily Express*. It had by now reached a stage of assured prosperity. In Fleet Street the foundations were being laid of a newspaper palace as the paper's headquarters, to cost half a million pounds. What the public thought of the *Express* financially was strikingly shown at the end of 1930, when the directorate offered 100,000 shares for subscription at £2 apiece. The time was not considered propitious, for newspaper shares generally were out of favour, and many of them had dropped sixty per cent in value in eighteen months. To make the test more severe, the *Express* refused to advertise the issue in any but its own columns, and pledged itself ahead not to allot more than 1000 shares to any single applicant. A few minutes after the time announced for receiving applications, all had been

absorbed, and the issue could have been sold several times over.

Beaverbrook's own account of his stewardship of the *Daily Express* is very revealing of the man himself.

"I did not inherit the *Daily Express* from anybody. I took it over as a derelict concern which had twice been in a state of liquidation and unable to meet its liabilities. There was an old gang of Editors and Managers—and a very good gang, too—but they had never had a chance. I recruited a new gang of young men and gave old gang and new gang alike their chance.

"I have put eight years of my life into making the *Daily Express* whatever it is. I am the creator of the structure and must take the responsibility. Any man can start a newspaper if he has the money. That is to say, he can buy presses and hire a staff—for there are plenty of journalists. But if there is one kind of argument which makes me really impatient it is the contention that because some men who control newspapers are rich men therefore all you need to start or run a newspaper is money. Let the rich man, who is nothing but a rich man, buy his presses and hire his staff. Then let him try and make his machine go, and his newspaper sell. He has as much chance of doing so as the same rich man would have of producing a good pudding if he were given the ingredients and a kitchen to cook it in.

"No, the business of producing a newspaper requires a type of mind which is very rare indeed. You must be ready to put your whole heart and soul, your stomach, your liver, your whole anatomy into a task which will appear most of the time to be dangerously stimulating

and on occasion positively revolting. 'Millionaires and their Newspapers'—Humbug and Ignorance.

"But my share in the work is done. I am like a ship-builder who has built a ship but will not be her captain. As the vessel glides down the slipway he says, 'Farewell.' He has made the ship as stout and staunch, as clean-run and swift as he can, but he must leave to others the task of navigation.

"I planned the *Daily Express* as the great national daily newspaper, but the staff are more competent than I am to manage it.

"I know myself too well to hold any different opinion. I can conceive and create but I cannot conduct. This has always been my case. I conceived and created the Canada Cement Company. I never should have been competent to manage it, and I never tried. I simply handed over my little orphan to Mr. Frank Jones, the best business manager on the other side of the Atlantic. It is not exactly because I am no man of detail. In one sense I am. To create any sound concern—business or newspaper—you must have a profound knowledge of detail, or your general conceptions about it will be all wrong. But I am not a man of repetitive detail. I cannot go through the same motions of detail with slight alterations or improvements every day. It is a talent denied me. So on the very last day of the month of November 1927 I said 'Good-bye' to the *Daily Express* office for ever.

"I had a special room of my own constructed right on the roof of the *Daily Express* building. It was a very large, rather bare room, furnished with a few chairs, a table and a dining-table, but with the walls well lined with book-shelves full of books. Its windows look out to all the four quarters of Heaven—over an ocean

of chimney-pots—to Westminster Abbey and St. Paul's, to the Tower of London, to the innumerable City spires of Wren.

“ That was my workroom where I consulted with my staff. But one day I began to feel the created organism move by itself, and I knew it was time to go.

“ On that November evening the Managing Director came out with me from that room, locked the door behind me, and took away the key. The act was symbolic. For never since has he allowed that vast room to be used for any other purpose. The tables and the chairs have gone and the books have followed them. The room must be bare and dreary—a waste of space, inhabited only by the ghost of my past self. Yet I am pleased with the idea of that emptiness because it signifies the wish of my old colleagues that I should return. I never shall go back, but I am glad to think that my colleagues of the past would give me a welcome.”

In June 1930 a formal statement was issued, “ Lord Beaverbrook has made a gift of his controlling share interest in the London *Express* Newspaper Company to and for the benefit of his elder son, William Maxwell Aitken.”

But the personality of the father still dominates the office. Mr. Beverley Baxter, now working editor of the *Daily Express*, described the position early in 1931. “ Lord Beaverbrook takes no direct part, but he is the dynamic driving force of our activities. His vision and vitality are almost unlimited. He is Allah, and the rest of us are his prophets. He is a genius—incapable of relaxation and intolerant of mediocrity. Such a man is

not always easy to work with, but he makes it impossible for you to work with any other kind. After serving him for eleven years, I have come to the conclusion that even when he's wrong, he's right."<sup>1</sup>

<sup>1</sup> Interview in the *World's Press News*, Jan. 22, 1931.

## BALDWIN

**W**HEN Bonar Law retired from the active scene, because of ill-health, one link between Beaverbrook and the Unionist party machine was weakened. When Bonar Law died, and Beaverbrook was one of the four pall-bearers who escorted his body to its final resting-place, the link was broken. Let it be frankly admitted that the Canadian peer never was a good, full-blooded party man. Before the war, when it was a general rule to ignore the other side as far as possible socially, he cultivated friendly relations with them. Elected as a Unionist member, he helped to bring the Irish Free State into existence. He strove and fought against the dropping of food taxes from the party programme, after the party decision had been taken. It is true that while a member of the House of Commons, he attended the House with great diligence, except when ill, and that his vote could be relied on in critical divisions. But he was regarded as an uncertain force, a man liable to fight for what he believed, to the defiance of discipline. Even Lloyd George, whom he did so much to place in supreme power, found him a disturbing influence, and the relations between them veered from great cordiality to frigidity, and back again.

After Mr. Baldwin was elected to the leadership of the Unionist party, in succession to Bonar Law, those who knew both Baldwin and Beaverbrook anticipated that all would not go smoothly between them. It was already

obvious that their point of view was sharply opposed on some fundamental points of policy. Their temperaments reveal deep differences. Baldwin plays for safety and for the immediate and easy way out of any difficulty, even though it leads one into the bog beyond. Beaverbrook would fight the difficulty here and now, and try to end it.

It is fortunate for me that I am not called upon to attempt a final appraisal of Mr. Baldwin's political qualities. All the world knows him to be a sincere patriot, little influenced by selfish motives. His anonymous gift of an appreciable part of his fortune to the National Treasury in the war is only one evidence of that. His bucolic sympathies, his unconcealed love of books that appeal to a wide public, his surface simplicity and placidity all add to his popularity. Of Baldwin the country gentleman, and of Baldwin the philanthropist, none has anything but good to say. In the minor strategy of politics he is shrewd, adroit, and resourceful. He can score victories inside the party ranks, check minor rebellions, and soothe injured susceptibilities, if he is in the mood to do it.

The complaint of his critics is that he has not shown the qualities of real leadership. He has revealed, at supreme moments, a fatal lack of political courage, and he has misjudged affairs at a time when sound judgment was essential. He cannot easily adapt his mind to new conditions and requirements, and sometimes his tongue runs away with him. Once he has set his course he tries to keep it, whatever new conditions arise. The

statesman who cannot adapt himself to changed circumstances, may do not only his party but the nation the greatest harm by his rigidity of mind. Above all, Baldwin lacks the prescience, the instinct and imagination that enable supreme leaders—whether generals or statesmen—to see the other side of the hill.

The first outstanding point of difference between Beaverbrook and Baldwin arose over the settlement of the American War Debt. When Bonar Law formed his Cabinet in 1923, Baldwin was given the Chancellorship of the Exchequer. As Chancellor, he visited America to discuss and if possible to settle the war debts. We had borrowed vast sums from America and had pledged our credit there to help to raise money to help our Continental Allies. A large part of the money thus borrowed had been spent in America, on the purchase of munitions and other supplies, often at fantastic prices. Much of our debt had been incurred after America had entered the war, during the time when, because of lack of earlier preparations, she could not take the active and costly part in the fighting that she did towards the end. We, on our side, were owed great sums by our Continental war Allies and by Germany.

The feeling among the British people was, and is, that these war debts should not be regarded as ordinary liabilities. Legally, we were liable to the full; morally, we were not. America had come into war partnership with us, and ought, we felt, to bear her share of the general cost. War debts should be treated as a whole.



Britain favoured wiping them out entirely as between the Allies, and later pledged herself to take no more in settlement from our Allies than is necessary to pay the American claims.

This British position was already supported by an appreciable section of more responsible and far-seeing Americans. But American opinion generally, thanks to systematic propaganda by the Washington Treasury, was strongly in favour of making us pay every penny possible, treating our account as a separate issue. Washington was backed by the shrewd diplomacy of Colonel Harvey, the U.S. Ambassador to the Court of St. James, one of the ablest political intriguers of our age.

Mr. Baldwin was ill-suited for the necessary negotiations. Americans expect and love a "dicker." Here was a time when bargaining powers were essential; he did not possess them. He returned home with the American proposals for funding the British debt in his pocket, terms so onerous that they would, in the words of Bonar Law some time earlier, "reduce the terms of living in this country for a generation." By a singular blunder and breach of diplomatic methods, Mr. Baldwin told the Press on arrival at Southampton what the offer was, and evidently regarding his visit as a great triumph, declared that the best terms possible had been secured. This publicity made it practically unavoidable for the Government to do anything but accept.

Beaverbrook fought acceptance at the time. The developments since then have more than justified him.

Britain secured the worst terms of any of the Allies from America, and gained little except empty compliments about her financial integrity. A burden has been placed on us which has helped to cripple our industry, lower the scale of living, impoverish every class of the community, and mount the total of unemployed to over two millions. It is no real satisfaction to us that the result on America has been even more disastrous. She experienced an era of hectic and artificial prosperity following war gains which temporarily weakened the moral fibre of the nation. This has been followed by economic disaster. America's Treasury is gorged with gold—much of it drawn from Britain—but her exactions have helped to paralyse world industry. Her unemployed are far greater in number than our own, and their sufferings much greater, more intensified. A bad, bad bargain, bad for both sides !

Beaverbrook strongly opposed Mr. Baldwin's decision to appeal to the electorate in the autumn of 1923, on Protection, foreseeing inevitable defeat ahead. Still further differences arose. Beaverbrook summed these up in 1926.

“ The Conservative leaders acted like men infatuate. There is a story in the Bible about the consultation which the kings of Israel and Judah had with the prophets before the disastrous battle of Ramoth-Gilead, which lost Ahab his life. All the prophets prophesied smooth things. ‘ Go up against the Syrians, and thou shalt push them with horns of iron.’ Much against the will of Ahab, Micajah was produced before the court.

After an attempt at flattery he said, 'I see Israel scattered abroad as sheep having no shepherd.' Ahab turned to the king of Judah and said: 'Did not I tell you that this man would prophecy evil and not good concerning me?'

"The Ahabs of Downing Street refused to believe the Micaiahs of Fleet Street, but whose fault was that? I saw Mr. Baldwin once at the time this decision was being taken. He appeared to me to be a man who had made up his mind to follow the advice of the small reactionary clique who then dominated his policy. Clearly he was determined not to listen to an outside and contrary opinion."

It is surely not necessary to dwell on the reports of a personal vendetta, for secret reasons, between the two men. Time after time, Beaverbrook has disclaimed it, in the most emphatic language that he can. The difference is one of temperament and of point of view, much more serious than any purely personal dispute.

"The truth of the matter is that I have no personal 'vendetta' against Mr. Baldwin at all, but I disagreed with him profoundly on the three principal actions in his political career:

"1. The American Debt Settlement.

"2. The rushed Election of 1923.

"3. The sudden reversal of policy which resulted in the Coal Subsidy of this year.

"And I venture to think that most people agree with me on these issues rather than with him.

"The differences have been public and not private.

But it would only be candid for me to admit that such a succession of grave errors of policy have damaged my belief in Mr. Baldwin's political judgment.

" Apart from serious differences of opinion on grave matters of policy, certain political indiscretions of Mr. Baldwin have impressed on me the view that he is not, to use a cant phrase, ' of Prime Ministerial timber.' They were the kind of errors that successful British Prime Ministers do not make. I will give three instances :

" 1. Mr. Baldwin's amazing pronouncement on the Debate on the Address (Jan. 21st, 1924), in which he declared that we were exporting too much and that certain restrictions on exports might be necessary.

" The Conservative benches behind him thought he had fallen into the common slip of a speaker who says ' more ' instead of ' less,' or ' inflation ' instead of ' deflation.' With one accord Conservative members shouted ' imports.' ' No,' replied Mr. Baldwin, ' exports.' And he went on to argue seriously in favour of the diminution of the British export trade to the consternation and amazement of his supporters.

" 2. The second occasion was the veiled hint given as Prime Minister in the House of Commons (June 29th, 1925) that the Government were considering granting subsidies for purposes of export to certain trades. ' It may be that the time has come when there should be introduced a bounty on production for export.' (Exports, it may be observed, are no longer the enemy.) For the next fortnight the Government spent their time in minimizing or explaining away the indiscretion.

Yet it was the fatal germ out of which the Coal Subsidy sprang.

" 3. During the conferences with the Labour leaders over the threatened coal strike, Mr. Baldwin let fall words which the Trade Union leaders interpreted as meaning that he was in favour of a reduction of wages as a necessity throughout British industries. These words solidified the whole Trade Union movement in favour of the miners and against the Government. It was denied that certain exact words were used, or, at any rate, that their application was intended to be general to the whole basis of existing wages. But whatever the words or the intention, the mischief was done.

" The conclusion I draw from these three curious instances of ' thinking aloud ' without much previous preparation for the thought, is that such an aptitude is too dangerous in Prime Ministers or even in leaders of parties."

As the years went on, the lines of difference deepened. Beaverbrook resented the continued policy of Baldwin against an all-embracing Empire fiscal policy. He was ever trying to drive him, through the columns of the *Daily Express*, into more active measures. He wanted more done to help to avoid the growing national distress. He saw the Unionist party making for a crash. In the weeks before the General Election of 1929 he was fighting against Baldwin's policy of *laissez-faire*, and was still preaching at every opportunity Empire Free Trade. In the battle for national efficiency he entered on an energetic advocacy of the reorganizing of our rail-

ways, in particular by the use of larger goods wagons. The General Election brought in crushing measure the political disaster which Beaverbrook had foreseen. With it came developments that were to open still another chapter in Beaverbrook's life.

## LAUNCHING THE EMPIRE CRUSADE

THE *Morning Post* and its Editor have, without doubt, played an appreciable part in Lord Beaverbrook's life. Mr. Gwynne probably feels a certain responsibility for him, since he was one of Max Aitken's first political sponsors, and long did his best to keep him within the limits of strict and orthodox Conservatism. The *Morning Post* has lectured him, hectorred him, and sometimes abused him, but it has rarely, if ever, made the mistake of ignoring him. Nor is it possible to ignore the *Morning Post*, for it is one of the bravest ventures in British journalism. It has great influence, and rightly so, for it is splendidly produced, carefully edited, written with dignity and beautifully illustrated. Its handicap is that it is attempting to preach a form of Conservatism that appeals to a limited circle through a medium that really requires the support of the many. That is a supremely difficult task, but the sincerity and the earnestness of the men behind its editorial columns are so evident and transparent that it would be impertinence to praise them.

It was the *Morning Post* that launched Beaverbrook out in his new Empire Crusade. The General Election of 1929 was over; Mr. Baldwin had led the party to disastrous defeat and everyone knew it. The *Daily Express*, when the fight was over, lamented the fact that "we have just come through a General Election in which the Empire was hardly mentioned by any of the three contending parties, or if mentioned, it was merely mumbled."

## LAUNCHING THE EMPIRE CRUSADE 191

“ If all the contending parties hardly mentioned the Empire during the Election, who aided and abetted them more than Lord Beaverbrook himself ? ” asked the *Morning Post*. “ He was thinking about railway wagons, not about an economic policy for the Empire. We do not doubt that to-day he feels his position acutely ; and those who know his zeal for the Empire would be ready enough to forgive his aberration. But what they find it difficult to endure patiently is his presuming to rebuke those whom he did not only lead into temptation, but positively forced into sin. That, if we may use a colloquialism, is ‘ a bit thick.’ ”

The rebuke went home. On June 30th, 1929, the *Sunday Express* published an article by Beaverbrook entitled, “ Who is for the Empire ? ” It might almost have been headed, “ *Mea Culpa.* ” “ I am myself to blame,” Beaverbrook admitted, in effect. “ I stand in the dock, together with all those I indict.”

“ Who is for the Empire ? The answer is all men and no one. For while all are ready to register the sentiment of goodwill towards the Empire the practical side of Imperial development has been forgotten. The Empire with all its vast potentialities is there, but no one will come forward to try to organize it into a fiscal union.

“ We have let slip so many opportunities in this direction and the last and greatest at the time of the war.

“ Why ? Because we are like the Muckrakers in the *Pilgrim's Progress*. We are so busy raking in trifles out of the dirt at our feet that we cannot look up and see the Golden Crown suspended above.

“ The politicians lead the way. They yield precedence on every occasion to domestic issues over Imperial



questions. Either they are so lacking in imagination that they think it is the right order of importance, or they sin deliberately against the right of their own personal convictions. Of the two types there is more to be said for the honest Little Englander than for the man who believes in the ideal necessity of the Imperial Union, but will stake neither his own nor his party's fortunes on such a venture. Such men sit balancing elaborate calculations of electoral advantage, not realizing that by such methods inspiration fails, the moral strength that alone gives a promise of victory oozes away, and the cleverer the calculation the more certain defeat. But the fact remains. The politicians, either from ignorance or fear, turn away from the vast conception of an Empire bound together in a single fiscal unit.

"If I have put the politicians first in the order of those to be blamed for the general indifference to the Empire we have displayed in late years, it is because any man who enters politics makes a public claim to special knowledge or virtue in dealing with national affairs.

"Actually, of course, most of us are to blame for some failure either of heart or head in dealing with the Empire.

"How many men are there who accept the full doctrine of Imperial Fiscal Union in their private minds, but who cannot be bothered to take any steps towards its fulfilment? They treat the Empire as men deal with some tremendous dogma of a creed—giving to it a cold, intellectual acceptance with the suppressed determination that it shall not alter the details of their way of living in any particular. So the cares and contrivances of everyday life overwhelm and smother the urge to practical action based on an essential conviction.

"In my own case first of all. And I am the more to be

blamed because, coming from the outer Dominions and gaining in the course of life a knowledge of the circumstances and necessities of Great Britain, and having further obtained through politics and journalism an opportunity to make my opinions heard, I have too often let my attention and efforts be utterly distracted from the cause of Empire.

"It is true that I have never gone back either in public utterance or in private conviction on the cause of Imperial Fiscal Union.

"During the last Election campaign I concentrated on railway traffic reform as a means of relieving unemployment, an essential, too, if England is to maintain her industrial supremacy. I know full well that fiscal union of the Empire offers a better remedy for unemployment in Great Britain.

"But neglect or refusal to force the issue at the last Election is not made better or worse by the successful campaign for a much-needed reform of railway trucks.

"And the last ten years I have taken no adequate steps to forward the idea of Imperial Fiscal Union, but have concerned myself too much with questions of net sales and circulation, treating the great newspaper I have helped to build up as though it were an object in itself, and not as an additional means of helping to consummate the practical union of the peoples who make up the British Empire.

"So I stand in the dock together with all those I indict. We all alike need a conversion to make us subordinate everything to one vast general conception of policy."

This article aroused extraordinary interest. Letters poured in on Beaverbrook and the *Sunday Express* from people of every class throughout the country,

supporting him. The unrest and the apprehension of large numbers of Unionists had at last found expression. Big business leaders, politicians, and multitudes of men of the rank and file spoke out. "As an Imperialist," declared Sir George MacLaren Brown, European Manager of the Canadian Pacific Railway, "I should like to think of it as a first advance in a great crusade."

Two or three weeks later a second manifesto appeared, "A New Project of Empire." "Lord Beaverbrook's Empire plan is new," the editorial introduction declared. "It is not Tariff Reform. It is not Imperial Preference. It is simply Free Trade—within the British Empire. It is an Imperial application of the greatest lesson modern business has learned, the necessity for amalgamations."

"The immense response I have received to my suggestion of a minority movement to press forward the claims of a new Empire policy shows that there exists in this country a great number of men and women who are ready to come forward in the cause of an Imperial Fiscal Union. They clearly believe in one great object—the union of all parts of the Empire for common fiscal, financial, manufacturing and productive enterprise.

"I am quite clear as to the lines on which such a movement should proceed :

"1. It should be independent of political parties.

"2. It should give allegiance to no party, but would pursue its own object, without caring a bit whether its crusade suited the convenience of parties or not.

“ 3. It should take advantage of any offer towards forwarding the cause which any party—Conservative, Liberal, or Socialist—would give it. Its motto would be, ‘ In so far as you give me Empire, I will give you support.’

“ But the crusader had better not depend too much on party as far as the Empire is concerned. The Liberals seem to be hopelessly tied to the old Cobdenite doctrines, which regarded the Empire as an encumbrance and the Dear Loaf as the last hope of a winning cry for a party *in extremis*. Mr. Lloyd George has on occasion taken a wider view of this matter, but when it comes to the Empire he is not master in his own house.

“ There is an Imperialist and Tariff Reform wing in the Socialists. It draws its inspiration from touring the Dominions and talking to men of vision there. Presently it will be a formidable force, but its time is not yet.

“ The Tories have always claimed for themselves the title of the Imperialist party.

“ They never developed a policy of Free Trade within the Empire. They did adopt, many years ago, a plan for tariffs in Great Britain with rebates in favour of the Empire. But the only possible advantage that Britain could give to the immense producing Dominions necessitated a tax on wheat and meat, with a rebate in their favour. It was on this basis that the Conservatives took up the cause of Empire.

“ Actually they have betrayed that cause at every election since they took up the policy of Imperial Preference. They have done this, not through bad intention, for the Conservatives believe in the Empire in a genuine sense which no other party shares, but through moral weakness and electoral fears.

"As a consequence Tariff Reform and Imperial Preference have never had a fair presentation to the electorate.

"1. In the Election of 1910 half the Conservative party was, under the inspiration of its leader, apologizing to the electorate for the Food Tax proposals.

"2. The Conservatives wiped the policy of Imperial Preference off their programme in 1911, just when the Liberal Government was beginning to collapse into ruin.

"3. When the magnificent rally of the Dominions in the war had made the carrying of such a programme so easy as to be inevitable in 1919, the Conservatives allowed the Free Trade prejudices of their Liberal partners in the Coalition to sidetrack them and to miss the great opportunity for Imperial Union.

"4. When Mr. Baldwin, now clear of all Liberal entanglements, went to the country in 1923, he deliberately expunged Imperial Preference from the Conservative programme. He fought on an insular policy of protection for manufacturers in England. He was badly beaten, as he deserved to be.

"5. In 1924, and again in 1929, Mr. Baldwin rejected the Empire and accepted instead the well-worn fiscal policy of the Cobdenites in the Conservative party.

"No General Election has ever been fought squarely on the issue of the Empire, which the real Imperialist would present to the British electorate.

"That policy is quite simple. It involves Free Trade. But Free Trade would be confined to the Empire. The tariff barriers between Britain and the Dominions would be knocked down. The barriers against the rest of the world would be raised up

"It involves a tax on foreign wheat and meat, with

free entry for British wheat and meat at all ports in the Empire. Canadians and Australians will gain an advantage, with a corresponding opportunity to British farmers.

“ The British manufacturer will also get the right of entering the Dominion, the colony and the protectorate free from Customs tax, while the foreigner will pay for the privilege.

“ We present to our opponents the cry of Dear Food and the Small Loaf. In fact, we should welcome the reproduction of this antiquated bogey. Contrary to the established Free Trade belief, this cry was never an election winner in any great industrial centre when it was faced boldly as part of an Imperial policy.

“ Men care more for steady employment at high wages, which the Empire policy offers, than a cheap loaf and no work and no money to buy it with.

“ The true Imperialist Crusader would welcome a direct contest in the constituencies on this issue. He will fight for this policy to the last without forethought or afterthought. He will not think of any effect which his action may have on any particular party. He will think only of the cause. He will preach the doctrine in season and out of season ; trust the people to give a sound and righteous verdict on this issue, and so restore to Britain as part of the British Empire the prosperity which was her heritage, and give her the industrial primacy of the world.”

The notion of a great crusade of Empire seized the popular imagination. “ Imperial Crusaders ” was the first name given to the new movement. In the *Daily Express* of July 11th Beaverbrook wrote again. He first dealt with the immediate criticism of Mr. Snowden

and others that what he was proposing was nothing else but a revival of Joseph Chamberlain's policy.

"The first issue to be met is the statement by Mr. Snowden that this is Joseph Chamberlain's policy over again, and that the country has already declared that it will have none of it.

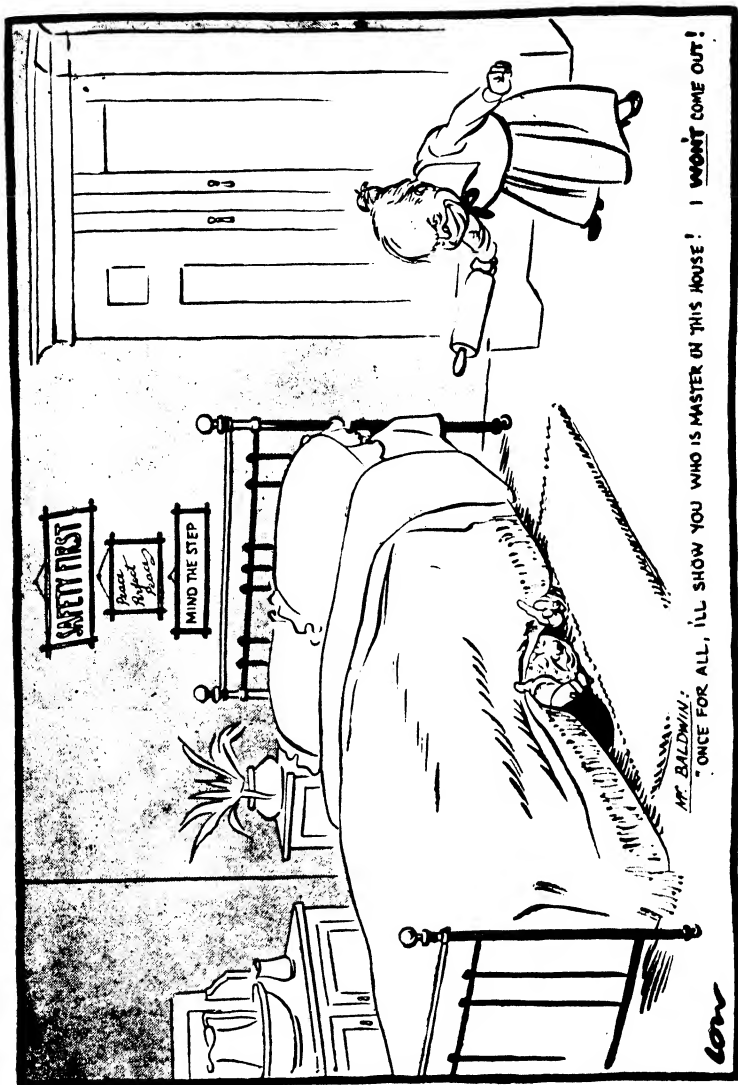
"This is a complete misunderstanding of the movement. Let it be admitted frankly that the aims of Joseph Chamberlain, as well as his mighty spirit and vision, have inspired the new crusade. That is true. But the policy is not that of the great Tariff Reformer any more than the conditions of to-day are the conditions of twenty-five years ago.

"Mr. Chamberlain sought to impose a tax on all foodstuffs with a preferential rebate to the Dominions.

"The Imperial Crusaders are fighting for a Customs Union throughout the Empire where there is neither tax nor rebate, but absolutely free trade among all the countries under the British flag. . . .

"I am merely the servant of a cause which holds promise for the British people that he who espouses it can hope for no greater honour than the privilege of playing a part in the early critical days of its formation. The difficulties of bringing about an Empire consolidation will strain the sinews of statesmanship, but the history of Great Britain is its own assurance that the occasion will produce the men. In this case America also supplies a powerful inspiration.

"Several years after the War of Independence, when the Union of the American States was brought about, there was frenzied opposition on every hand. Many of the thirteen separate States had existing Customs barriers raised against each other, and sectional feeling ran high. For instance, the State of New York actually



ASSERTING HIS AUTHORITY.

By courtesy of "Low," and the "Evening Standard."





prohibited the importation of farm produce from the State of New Jersey. The problem of communications seemed insurmountable. In actual point of time, measured by the travelling facilities of then and now, Massachusetts was as far from Virginia as the most distant outpost of the Empire is from London in these days. New York was separated by thirteen days of travel from Boston, the capital of the State of Massachusetts.

"Yet Madison and Hamilton, the two men who achieved immortality by their efforts for the Union, overcame every difficulty. Hamilton was defeated in his own State of New York—but he fought on for the cause which he knew would prevail—and which did prevail.

"The Empire Crusaders believe that neither Hamiltons nor Madisons will be lacking to achieve the same result with the component parts of the Empire."

It became early apparent that Mr. Baldwin and the heads of the Unionist party machine were unfriendly to the campaign. The most critical point of the new crusade was the proposal to tax foreign foodstuffs. At first Mr. Baldwin would not agree to this. Pressure was brought on prominent Conservatives who supported the crusade to change their attitude. When Sir John Ferguson, the Conservative at the Twickenham by-election, came out as a supporter of the Empire Crusade, Mr. Baldwin disowned him, and he had to stand as a non-official candidate. But he was returned notwithstanding. When Mr. Neville Chamberlain spoke at the Empire Industries Association in support of the Crusaders' position, he next day modified his words,

but those who had their ears to the ground could hear the rumblings of a coming storm. As Mr. Arthur Wallace wrote in the *British Empire Review* in September :

“ All whose memories carry them back to the beginning of this century, must have felt during the last three months that the spirit of Joseph Chamberlain was vigorously asserting itself in the affairs of Empire. The new movement is due to Lord Beaverbrook, who startled one of our Sunday morning breakfasts with his discovery that in the bonds of Empire trade the British Empire had its greatest opportunity. Whatever may be the outcome, Lord Beaverbrook may claim to have roused the whole Empire to a discussion comparable only with that for which Joseph Chamberlain was responsible.”

Beaverbrook was not content to speak solely through the Press, or even at electioneering meetings. In mid-November he raised the issue in a long and powerful speech from his place in the House of Lords. This speech, given in full in the Appendix, created a deep impression, not only among the Lords who heard it, but in the country generally. In the debate that followed the Government put up Lord Arnold, the Paymaster-General, to reply. Lord Arnold repeated the stock objections. “ The people of this country will never agree to the taxation of wheat. It would add to the burden of the people. The policy of the noble Lord instead of promoting Imperial unity would have precisely the opposite effect. It would really bring to an end the system upon which the Empire has been built up ; that is, the policy of self-government for the Dominions

and the Mother Country." But there were several voices on the other side. Lord Salisbury was most scathing of all in his criticism of the Government's attitude. "The noble Lords on the other side are like rabbits, trying to make for some hole to avoid the difficulties which the sportsmen will bring upon them. But they will be ferreted out." A few days later, Mr. Baldwin himself, in a notable speech on the Empire, made very appreciative references to Beaverbrook's action.

## XVII

### THE ROAD TO VICTORY

**T**HE rapid growth of the Empire Crusade created great uneasiness among the Conservative party organizers. All usual means of disciplining Beaverbrook had been tried and had failed. Old political friends had turned away from him, and the party machine made things as uncomfortable as possible. The movement was spreading rapidly. A United Empire League had been formed under the direction of Beaverbrook and Rothermere and had in a few months attained a membership of 220,000 and raised voluntary subscriptions amounting to over £100,000. It became daily more evident that the campaign voiced a genuine unrest inside the Conservative party itself as well as among a large body of the electors.

Realizing that division must spell political disaster for the Conservative party, various efforts were made at reconciliation. A meeting was arranged in February between Beaverbrook and Mr. Baldwin in the latter's home in Upper Brook Street. The only immediate result was to emphasize the points of difference between them.

Peacemakers again set to work. Lord Elbank, a member of the Scottish Divisional Council of the Unionist party, who had been actively interested in the Empire campaign since its inception, employed his influence. Two or three weeks later there was another meeting, when Mr. Baldwin made a definite proposal. Empire Free Trade was to be submitted to the country through two General Elections. At the first, food taxes

were not to be put forward in the Conservative programme, but if the party was returned to power it should immediately explore possible concessions obtainable from the Dominions and should then dissolve on this issue and seek the mandate of the country.

Beaverbrook made a counter-proposal—one General Election to be followed by a referendum on food taxes. After consulting with his colleagues, Mr. Baldwin announced his willingness to accept this. The ex-Premier and his friends were naturally anxious that this acceptance should not be presented to the public as a victory for the United Empire Party or for Rothermere and Beaverbrook, and to this both peers willingly agreed. A few days later, at a party meeting at the Hotel Cecil, Mr. Baldwin announced his coming policy in words which Beaverbrook himself declared to be wholly satisfactory.

“I had arranged for a Press Association verbatim report of the speech,” Beaverbrook wrote afterwards.

“The messenger arrived with the first sheets of the report. I snatched them from him.

“Mr. Baldwin was still on his legs, but as I read the report and as fresh instalments of the speech reached me every few minutes, my spirits soared. His words were completely satisfactory to me, and I felt that at last we could move forward to victory with united ranks.

“I called up Lord Rothermere, who was sitting in a room at his hotel just across the park from me and reading a replica of the Press Association report that I had in my hands. I asked him what he thought, and rejoiced to hear that his opinion was the same as mine

and that he found Mr. Baldwin's statement completely satisfactory.

"Then came a welcome surprise. Barely had I hung up my telephone receiver when the door of my room was flung open and in stalked Winston Churchill, a man whom formerly I had been accustomed to see very frequently, but who had not been near me since the crisis first developed. He was full of friendliness, and we had a cheerful conversation, during which he told me how happy he was that we should now be able to work once more together in a common cause.

"I then called Mr. Baldwin on the telephone and thanked him for his whole-hearted and generous advocating of our policy.

"Lord Rothermere and I carried out our bargain with Mr. Baldwin, and in all the papers over which we had control the speech and the Referendum were treated in a manner which eliminated entirely any indication of a victory for the United Empire party or suggestion of a triumph for Press dictation. Mr. Baldwin himself recognized the fairness of our action at this time from his own point of view."<sup>1</sup>

There was another strong reason which impelled Beaverbrook towards conciliation. The United Empire League, under the influence of Lord Rothermere, was inclining to become a separate political party with a distinct programme of its own, embracing national economy, a firm policy towards Egypt and India, and the boycotting of unreformed Soviet Russia. Beaverbrook knew that to put forward a general political programme, however admirable, as a necessary accompani-

<sup>1</sup> *The Saturday Review*, July 12th, 1930.

ment of Empire unity, would weaken the cause that he had most at heart. He wanted this battle fought on a single issue—Empire Free Trade. So the United Empire League as then established was dissolved and the subscriptions returned to the donors, the League machinery remaining in Lord Rothermere's hands, while the Empire Crusaders continued with Beaverbrook. The returned money mostly came back to the Empire Crusade, subscriptions reaching £150,000 by the summer of 1930.

The Beaverbrook-Baldwin truce did not last long. Lord Salisbury, the Conservative leader in the House of Lords, wrote to *The Times* relegating Empire Free Trade to the limbo of "far off, forgotten things," and advising the party to concentrate on other and immediate issues; and this letter was not repudiated by Mr. Baldwin. Then the Conservative Central Office, ignoring an understanding that literature on Empire Free Trade issued by it should be first shown to Lord Beaverbrook, published a pamphlet in which Empire Free Trade was given an inconspicuous place in the Conservative programme, and the proposed Referendum mentioned as a possible measure "if the Dominions ask us to help them by putting taxes on foreign food-stuffs."

Mr. Baldwin, in speeches following his first announcement, began to hedge. On Whit-Monday, at a monster open-air meeting at Glemham Park, in Suffolk, he outlined the agricultural policy of the Conservative party in terms which to all who heard them seemed to involve a complete breach with Empire Free Traders. "The



compromise between Mr. Baldwin and Lord Beaverbrook no longer exists," said *The Times*.

Protection of agriculture was impossible, he declared. England was predominantly urban, and would not vote for a policy that would enable agriculture to prosper by means of higher prices. "We have to rule that right out. It would be madness at the present time." A duty on imported barley might be possible. The importation of dumped and bounty-fed oats might be stopped. For wheat, his plan was to guarantee a price for British-grown grain of milling quantity sufficient to enable wheat to be produced remuneratively on wheat land.

Beaverbrook replied immediately. He accepted this announcement as a break, declared that he would demand an emergency conference of the National Union of Conservatives, and urged that subscriptions to local Conservative associations should now be sent to the Empire Crusade.

Mr. Baldwin appointed a new chairman of the party organization, Mr. Neville Chamberlain, and called a meeting of Conservative M.P.'s and candidates for June 24th. The evening before the meeting Beaverbrook issued a message to his supporters :

"Now, in the midst of the campaign, to save the soul of the Conservative party from atrophy, I desire to issue one final appeal to my friends and supporters among the members and candidates who are to meet Mr. Baldwin at the Caxton Hall to-morrow. I ask them to make no defence for me. No matter what charges may be brought against me, there is at stake something more important than anyone's opinion of my actions or of my

conduct. That is all. I can do no more than wish my friends and supporters the best of luck and that success in their efforts which the justice of their cause assures them."

The Caxton Hall meeting gave Mr. Baldwin his opportunity and he used it to the full. He had a picked audience, and was assured ahead of his majority when it came to a vote. He proceeded to attack Beaverbrook and Rothermere in the most contemptuous language that he could command, and adopted a deliberately insulting method by comparing their activities with those of Mr. Hearst in America.

"I stand where I did. I have been very busy working for the party, making speeches all over the country. While I have been away a good many have been at work 'queering the pitch.' I can use that expression to you as I can use the expression 'playing the game.' I cannot use it to that section of the Press, because those words would convey no meaning to them. It is apropos of the present situation that I must say a few words to you on the gravity of the national situation. The British Press, take it as a whole, is the best, the fairest, and the cleanest Press in the world. But there are exceptions. Now Lord Beaverbrook has appealed to-day in the papers to avoid personalities. If calling names be personalities, I am not going to indulge in them, and I shall say no more than is necessary for my purpose; but to anyone with the slightest sense of humour, could there be anything more comical than his lordship? When you think of his papers during the last seven years and up to a week ago, when you think that even members of the Carlton Club have written

for payment and worked and done all they can to destroy my position, and, with me, the party, to talk about avoiding personalities will not deceive a soul.

“Now this is what I want to say. This is no personal question ; it is no party question ; it is a national question. It is true that I have been singled out and our party has been singled out for the attentions of a certain portion of the Press ; but it might just as well have been the Labour party or the Liberal party ; and in this struggle there is not a decent man or woman in the country, to whatever party they belong, who is not with us in spirit to-day in what I am going to say. There is nothing more curious in modern evolution than the effect of an enormous fortune rapidly made, and the control of newspapers of your own. The three most striking cases are Mr. Hearst in America, Lord Rothermere in England, and Lord Beaverbrook. It seems to destroy the balance : the power of being able to suppress everything that a man says that you do not like, the power of attacking all the time without there being any possibility of being hit back ; it goes to the head like wine, and you find in all these cases attempts have been made outside the province of journalism to dictate, to domineer, to blackmail. (Cheers.) Now let me remind you. I will give you one or two instances, because time is short. Mr. Hearst has tried for years to dominate American politics. He has failed every time.”

Mr. Baldwin's main charge was yet to come. It was that the newspaper peers had attempted to force from their leader pledges about the men who were to fill the leading posts in the Cabinet, if the party was returned to power.

“ The desire to dictate the policy to a big party, the desire to choose the leader, the desire to impose Ministers on the Crown ; the only parallel to that was the action of the Trade Union Council in 1926, when they tried extra-constitutional means to impose their will on the democracy of the country. That is what you are up against. If you do not realize it, the sooner you do the better. We are told that, unless we can make peace with these noblemen, candidates are to be run all over the country. The Lloyd George candidate at the last election smelt ; these will stink. The challenge has been issued to us. We are told that the gloves are off. If they are we shall see who has got the dirty hands. I am all for peace and have always been for peace. I always like the other man to begin the fight, and then I am ready. But when I fight I go on to the end as I did in 1926.

“ Before I saw Lord Beaverbrook in March for the first time, an emissary of his came to me and told me that his lordship would desire, in the event of our becoming allies, to be consulted as to certain offices in the Government which I might recommend to His Majesty if I came back into power. I only mention this in passing, because there is nothing in writing and that conversation will probably be denied.”

This brought an immediate correction from Lord Elibank.

“ I did not, as you now say, and as I explained to you at the time, come as an emissary from Lord Beaverbrook, but in my capacity as a member of the Unionist party and of the Scottish Divisional Council, who had been actively interested since its inception in Lord Beaverbrook's campaign of Empire development.

In the course of our conversation, I informed you that for the proper execution of that policy, the selection of whole-hearted supporters to the key-posts of Chancellor of the Exchequer, Secretary of State for the Dominions and Colonies, and President of the Board of Trade, was, in my opinion, absolutely essential, as it would be impossible for you to fulfil any agreement should lukewarm and timid Ministers hold those offices.

"I suggested to you that if an agreement were arrived at, these posts should be filled after consultation with Lord Beaverbrook. You replied by saying that you could not abrogate the privilege of the Prime Minister to appoint his own Cabinet and that I must trust you to look after this matter, with which I concurred.

"I subsequently saw Lord Beaverbrook and informed him of what had happened. It is a fact that he disagreed with my having raised the point of key-posts at all with you. Three days afterwards the agreement was reached between Lord Beaverbrook and yourself without this matter being mentioned."

The Empire Crusaders were now conducting an active political campaign throughout the country. At the election at West Fulham in May 1930 the strength of the Imperial idea in one constituency was demonstrated. Sir Cyril Cobb, Conservative, ran on an Empire Free Trade programme and captured the seat from the Labour party. At the Shettleston by-election, in June, the Empire Free Trade candidate cut the Labour majority down from 6724 at the last General Election to 396.

Then came the North Norfolk by-election, when Lady Noel Buxton stood as Labour candidate in place



AT THE NORTH NORFOLK ELECTION, 1930



of her husband, the former Member, who had been elevated to the peerage. In a fight such as this the lady candidate stands on most favourable ground. Lady Noel Buxton was double favoured, because she comes from a famous Norfolk family renowned for many generations for its philanthropy and public service. Here Beaverbrook took the field in person to support the Conservative Empire Free Trade candidate, T. A. Cook. He made a whirlwind campaign, speaking three or four times a day, in halls, in the open air—wherever he could secure a crowd. He used novel means to drive his message home. He had a small black box, not unlike a camera, with clockwork inside which made a loud buzzing noise every minute. This he placed on the table in front of the platform and every time it buzzed it reminded the audience, "This country has just spent £1000 for imported food."

Lady Noel Buxton was returned, but with a greatly depleted majority. The North Norfolk election was a revelation of Beaverbrook's power of public appeal. The British elector likes a man who is fighting for a cause to come out in the open where he can be judged, questioned, and, if necessary, heckled. No one who heard Beaverbrook speaking at North Norfolk could doubt that he had now acquired the power of public appeal.

This was made yet more clear in July, when Beaverbrook spoke before a wholly critical audience in the Mecca of Free Trade, the National Liberal Club, and before a more dynamic group, at the Independent Labour Party National Summer School at Welwyn.



The summer school has proved a remarkable success. Large numbers of active young Socialists attend in a very aggressive and pugnacious mood. In 1930 they made it a point to invite leading speakers on the other side to state their case and then usually proceeded to make mincemeat of the speakers. The previous week the Marquis of Lothian attended to speak on the Empire. The Marquis is a powerful and authoritative publicist and his work as editor of the *Round Table*, and as one of the confidential advisers of Lloyd George when he was Prime Minister in the final days of the war and at Versailles, gives his words authority. But the irreverent young men and women at Welwyn overwhelmed him.

They were apparently prepared to meet Beaverbrook with the same storm of good-natured banter and argument that they had employed on others. The lecture-hall of the school was crowded to capacity. When Beaverbrook appeared he was given a great ovation, and welcomed with a song specially written by one of the students and sung to the tune of " My Bonny is over the Water " :

Our imports come over the water,  
Our exports go over the sea,  
And so we lose more than we oughter—  
O, why should we let them in free ?

Empire, Empire, Empire Free Tra-ade for me, for me,  
Empire, Empire, Empire Free Trade is for me.

For a description of what followed I go to the official organ of the Independent Labour Party, the *New Leader*, a brilliant weekly which does not usually

waste unnecessary courtesies on its political foes. It described Beaverbrook as a "Tory phenomenon . . . our foremost enemy."

"Lord Beaverbrook is a notable personality. His short figure is surmounted by the head and face of a fighter. He conveys an impression of dynamic force and dominating will, and it is easy to understand the explosive effect of the impact of this unusual combination of qualities on the 'Safety First' school of Tories. To sense this man's formidable fighting qualities at close quarters was to subscribe to James Maxton's judgment, uttered in the course of the subsequent debate, that because of his capacity and the power and resources he commands, he (Mr. Maxton) regarded him as our foremost enemy.

"There is no doubting the sincerity of his advocacy of Empire Free Trade. He speaks with the ardour and enthusiasm of the evangelist. As one listened to the earnest voice, now soft and persuasive in argument, again resonant and commanding in exhortation, one was aware that here was a phenomenon in Conservative politics. Here was a man destined for good or ill to leave a lasting impression on the politics of his day.

"The conception of a united Empire, strongly buttressed against the world, not only by ties of tradition and sentiment, but by the infinitely stronger bonds of economic self-interest is an ideal of compelling force to the Imperialist mind. It is a poisonous ideal that may be immensely attractive to young and enthusiastic minds not inoculated against the virus by Socialist propaganda. When such an ideal is advocated with the conviction, capacity, and power of a Beaverbrook, it presents elements of danger with which Socialists must reckon.

" In opening, the lecturer contrasted the situation in which he first entered British politics twenty years ago with that existing now.

" He found then that Tariff Reform was a declining movement in British public life, and that the Election in which he took part turned on entirely different questions. The reasons were easy to understand when one remembered that at that time Britain was still the greatest exporting country in the world and in a position of economic dominance. But now the situation was transformed. Britain had lost her old dominating position, and had sunk to third place among the exporting countries, having been outstripped by America and Germany.

" The lecturer's voice became persuasive as he told of his uneasiness and dissatisfaction with Britain's present economic condition, with her vast unemployment and stagnation of industry. While they might have many disagreements as to causes, he thought they were all agreed that the remedy was more markets abroad. . . .

" In the concluding passages of the lecture Lord Beaverbrook made a plea for ' New Markets, New Measures, New Men,' and denounced the inadequacy of the men in high places in all parties, who had failed to apply themselves to their problems.

" At the conclusion of the lecture the school rose almost *en masse*, so keen was the desire to heckle, and the questions came in a rapid drum-fire. Lord Beaverbrook did not appear at ease in face of the volley of questions, and in his replies sought refuge in saying as little as possible. . . .

" The National Chairman, James Maxton, M.P., in concluding the discussion, said it was a great privilege



*By permission of*

*"Mike" and "The News Leader"*

### **His Lordship**

*(Cartoon by "Mike")*

*A tribute from Labour :*

"The foremost enemy of Socialism in Great Britain. . . . I fear Beaverbrook because of his capacity, his resources, and the fact that we have in our own ranks people who hold theories which run along the same lines as his."

JAMES MAXTON, M.P.,

National Chairman of the Independent Labour Party.



to welcome the foremost enemy of Socialism in Great Britain to an I.L.P. Summer School. Empire Free Trade was an attempt to stabilize British Capitalism by putting it in a position to face American Capitalism on the one hand and Russian Sovietism on the other. The view of the I.L.P. was that the constructive alternative was to be found in the party policy of *Socialism In Our Time*. He feared Beaverbrook because of his capacity, his resources, and the fact that they had in their own ranks people who held theories which ran along the same lines as his. The Empire Free Trade policy was an attempt to secure the greater political, economic, and military integration of the British Empire, a policy that would lead inevitably to war. It meant the creation of three or four powerful world-groups, and in the end world-smash."

## XVIII

### THE IMPERIAL CONFERENCE AND TWO LONDON BY-ELECTIONS

**T**HE Imperial Conference which met in London in October 1930 brought the question of reciprocal Empire trade still more to the front. At the second plenary session Mr. Bennett, the Canadian Premier, in an historic speech, offered Britain and the Empire a ten per cent preference in exchange for a similar concession. He declared frankly he was against the policy of Empire Free Trade and that the policy of the Canadian Government was "Canada first." But Canada wanted a profitable market for its wheat, which Great Britain could supply.

"I offer to the Mother Country and to all the other parts of the Empire a preference in the Canadian market in exchange for a like preference in theirs, based on the addition of a ten per cent increase in prevailing general tariffs or upon tariffs yet to be created."

Mr. Bennett was supported by other Premiers. Mr. Scullin, for Australia, asked for more reciprocity from Britain. "The most effective means of increasing inter-Imperial trade is by means of tariff preferences," declared Mr. Forbes, of New Zealand. The most hostile note was struck by Mr. Havenga, of South Africa.

The speech of Mr. Bennett justified Beaverbrook's reiterated declarations that real Imperial reciprocity is impossible without protection for Empire-grown food-stuffs in the British market. Mr. Thomas, for the British Labour Government, had no welcome for the

Canadian offer, which later on he described as "humbug." The British Government was contemplating a quota system of purchasing certain quantities of Dominion-grown wheat, coupled with some State control of the market. This was not satisfactory to the Dominion Premiers.

It was no surprise that the Labour Government was out of sympathy with Mr. Bennett's offer. But what was Mr. Baldwin, the Conservative leader, prepared to do? Here was a lead for real co-operation with Beaverbrook and his followers. Would he follow it?

At first it seemed that he might. He issued within a few hours a statement of general support of Mr. Bennett's "striking offer," but did not definitely pledge himself to food taxation. Some days later he made a formal statement of policy, which brought matters little further forward than his Whit-Monday speech had done. He definitely rejected a tariff on foreign wheat, "because no tariff which we could recommend would be sufficient in itself to solve the problem of the wheat producer in this country." Instead, he proposed a guaranteed price for home-grown wheat and a provision that a definite proportion of flour used in British-baked bread should be from home-grown grain.

Beaverbrook accepted this as a continuation of the battle. "Mr. Baldwin still shrinks from the acid test," he wrote. "He will resort to any shift, any subterfuge, rather than run what he considers to be the risk of proposing duties on foreign foodstuffs. His successive attempts to find a policy remind me of the chorus of a third-rate review. His evasions reappear in different



scenes and in new dresses, and every time they dance with renewed and despairing vigour. But it is the same old jig. Mr. Baldwin has had his chance often enough, and has always missed it. Let us concern ourselves no more with Mr. Baldwin : I do not mean to do so."

Just at this time there came an opportunity to bring the matter to the test. A by-election was being held at South Paddington, a London seat hitherto regarded as an assured Conservative stronghold. In the previous two elections the Conservative had been returned unopposed. Sir Herbert Lidiard, the present official candidate, wobbled on the Empire Free Trade issue, following pressure from the Conservative Central Office, and Beaverbrook and his Crusaders resolved to fight him.

The election contest that followed was remarkable in many ways, and gave London a nine days' sensation. A first-class Empire candidate was found in Vice-Admiral Taylor, but political experts thought it madness for him to expect anything but disastrous defeat. Beaverbrook, just recovered from serious illness caused by ptomaine poisoning, flung himself into the fight, conducting another of his whirlwind campaigns. He spoke every day and often many times a day in large halls and small, in the open air and at private gatherings.

At the commencement of the fight, Mr. Baldwin made still another attempt to heal the breach.

At the opening meeting of the campaign, Beaverbrook said :

" It was on October 8th that Mr. Bennett, the Prime Minister of Canada, made his momentous declaration



PERSUADING THE SOUTH PADDINGTON ELECTORS



to the Imperial Conference. After stating that Canada's primary concern was to find a market for her wheat, Mr. Bennett said :

“ ‘ I offer to the Mother Country, and to all other parts of the Empire, a preference in the Canadian market in exchange for a like preference in theirs.’

“ In other words, Mr. Bennett's offer was exactly that form of limited partnership which the Empire Crusaders have always advocated as the basis of the economic relations between the Mother Country and the Dominions.

“ The next day Mr. Baldwin accepted Mr. Bennett's offer in the following statement :

“ ‘ Therefore I say now, with a full sense of responsibility, that, whatever the Socialist Government may do, the Conservative Party accepts the principle put forward with such weight and unanimity.’

“ At the same time Mr. Baldwin promised that he would amplify his acceptance in a fuller statement, to be issued later. When, a week later, that fuller statement was published, what did we find ? So far from accepting the offer of Mr. Bennett and the other Dominion Prime Ministers, Mr. Baldwin had run away from it. Instead of the duties on foreign foodstuffs which their offer involved, he had produced a substitute, which he maintains is just as good.

“ That substitute is the quota—a Socialist scheme which involves Government control, interference with trade, the employment of inspectors, and goodness knows what other kind of elaborate machinery. It is a scheme which ninety per cent of his own followers do not understand.

"The difference between Mr. Baldwin and the Empire Crusaders is this : Mr. Baldwin says that the acceptance of the offer of the Dominion Prime Ministers does not involve duties on foreign foodstuffs. We say that it does, and that, in substituting the quota, Mr. Baldwin has gone back on his original acceptance of the offer.

"There is a simple way out of this difficulty. To-night I am prepared to make an offer to Mr. Baldwin. This offer will give him an opportunity of restoring unity to the Conservative party and of closing the divisions in its ranks.

"On behalf of the Empire Crusade I accept the offer of the Dominion Prime Ministers in exactly the same terms as Mr. Baldwin's original acceptance. I am prepared to leave the interpretation of that offer to the Dominion Prime Ministers themselves. Will Mr. Baldwin do the same ?

"And, of course, there is not the remotest doubt about the meaning of the offer of these Dominion Prime Ministers. They want duties on foreign foodstuffs. They hate quotas. We want duties on foreign foodstuffs and no quotas or import boards or other measures of Socialism."

Mr. Baldwin promptly replied :

10 UPPER BROOK STREET, W. 1.

*October 21st.*

DEAR LORD BEAVERBROOK,

I have read the offer which you made to me in your speech at South Paddington yesterday.

May I remind you that in February last you declared categorically that if I returned to Downing Street with free hands, free to carry out the Imperial policy

in which a large majority of the Conservative party believed, you would welcome my return. You added : " Let Mr. Baldwin withdraw the pledge in regard to food taxes which drove me out, withdraw it and I will go back."

In the recent statement of policy which I issued, I declared categorically that in our negotiations with the Dominions with the object of developing Empire Economic Unity, no method which offered a favourable prospect of achieving our purpose ought to be ruled out beforehand.

Those words can bear only one meaning, and that is that the Conservative party should be free to negotiate with the Dominions on an unrestricted basis, free to adopt any methods, whether it be tariffs on foreign foodstuffs or any other plan which would seem to us and to the Dominion representatives to be best calculated to achieve our object.

I indicated in regard to wheat that the Quota System, as the result of our detailed and elaborate investigations, seemed to be the method best calculated to achieve our purpose, and one of the reasons which I gave was that it would provide us with a more effective weapon than tariffs to help the home farmer and to deal with the dumping of Russian wheat.

I also stated what is an ascertained fact, that this system could be worked through the ordinary trade channels, and would not, therefore, result in hordes of officials or interference with trade. It has, in fact, received the warm approval of the milling trade, which would have to work it.

At the same time I made it clear that I would rule nothing out. If the Dominion representatives, on examining our quota system, find that there are any

objections which prevent them from adopting it, we are ready to discuss any other scheme that may be put up.

It is, however, for the Dominion representatives, in the first instance, to decide whether they regard the quota system as a practical expedient calculated to give the wheat growers the guaranteed market which they desire.

As regards the offer which you made to me yesterday when you asked whether I would leave the interpretation of Mr. Bennett's offer to the Dominion Prime Ministers themselves, I can only say that it would be impossible for the leader of a party in this country, which may soon come into power, to delegate to the Dominions the decision in regard to matters which involve domestic taxation.

A matter of this kind must be decided by the Government of this country, which would necessarily have to consult the Dominions in forming its policy.

My one desire is that the Conservative party should be returned to power as soon as possible, in order that there may be no delay in embarking on those negotiations.

Furthermore, I take this opportunity of declaring on behalf of the Conservative party that if we are in office we will gladly accept Mr. Bennett's proposal that we should attend another conference at Ottawa next year, subject to the concurrence of the other Dominion Governments, in order that definite plans for giving effect to the principle of Empire Economic Unity may be worked out in co-operation with them.

You will see from what I have said that I am asking the country to give me a completely free hand to discuss with the Dominions all the alternative methods, including taxes on foreign foodstuffs, by which our

common object may be achieved, and I ask you whether you are prepared in these circumstances to stand by your declaration which you made a few months ago.

Faithfully yours,

STANLEY BALDWIN.

This offer was rejected by Beaverbrook as unsatisfactory :

“ There is some talk of a quarrel between Mr. Baldwin and myself. Now let me tell you that there is nothing which is a more constant source of regret to me than that there should be a difference between us.

“ We have the same end in view, as Mr. Baldwin has often said. He believes in the future of the Empire as much as I do. But we differ, and, alas ! fatally, regarding the path by which we ought to approach that future. He is afraid to tread our path : we know that his leads nowhere.

“ Believe me, I appreciate the circumstances which have made him timid, and I sympathize with him in his difficulties. When he makes an approach to me, as he has done recently, I scan it anxiously in the hope that I shall be able to meet him halfway. But the result is always the same.

“ Mr. Baldwin now writes me that he proposes to ask the country at the next General Election to send him back to Downing Street with a free hand to negotiate with the Dominions for the attainment of what we call Empire Free Trade, or, in the expression of his own choice, for Empire Economic Unity. By the free hand I understand him to mean that he may, or may not, impose duties on foreign foodstuffs, as future circumstances may dictate, and if his present policy of the quota system should be



rejected by the Dominions. In his letter he asks for our support.

*"We reject this proposal.* It would postpone to an uncertain future the policy which we believe to be the only method of attaining our ends.

*"We want a positive policy here and now.*

*"We want the policy of Empire Free Trade based on the imposition of duties on imported foreign foodstuffs.*

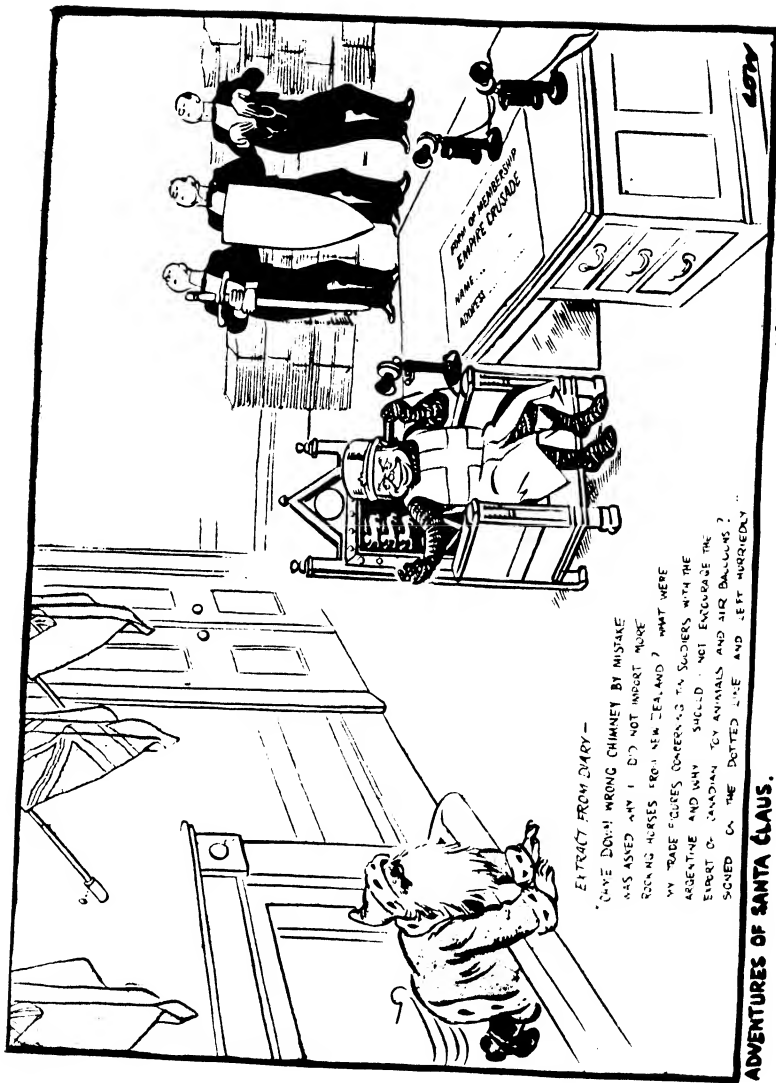
*"This is what we have always asked for. This is what the Dominions now offer. This, too, is what many of the Crown Colonies, in resolutions passed by their chambers of commerce and other such bodies, urgently require. And especially we insist that the measure of safeguarding which he is desirous of affording to the manufacturing industry of this country shall be extended also to her agricultural industry.*

*"Mr. Baldwin also tells us that he will not be able to develop his policy or to indicate which of the various possibilities he will choose until after his hypothetical Imperial Conference at Ottawa.*

*"We tell him that the country will not wait for that. We tell him also that the Dominions do not wish our policy to depend on theirs. We hold that the initiative in Imperial affairs belongs here in London. We want that initiative to be taken now. We have shown how to do it. We do not accept any other way.*

*"For my own part I desire to see unity in the Conservative party, and next to that I most desire to be able to retire into private life.*

*"On the other hand, there is no obligation I will not undertake, no burden my shoulders shall not bear, if I can thereby contribute to the realization of my great aim. But I will not, I cannot, make any sacrifice for any lesser or divergent end, now, when victory is at hand."*



EXTRACT FROM DIARY -

"GAVE DOWN WRONG CHIMNEY BY MISTAKE  
 HAS ASKED WHY I DID NOT IMPORT MORE  
 ROCKING HORSES FROM NEW ZEALAND? WHAT WERE  
 MY "BARE" GUESSES CONCERNING THE SOLDIERS WITH THE  
 ARGENTINE AND WHY SHOULD NOT ENCOURAGE THE  
 EXPORT OF CANADIAN "CY ANIMALS AND AIR BALLONS?  
 SQUED ON THE DOTTED LINE AND LEFT HURRIEDLY ...

ADVENTURES OF SANTA CLAUS.

NO 5.

AT LORD BEAVERBROOK'S.

(By courtesy of "Lola" and the "Evening Standard")



While the Election campaign was going on, signs of unrest at Mr. Baldwin's leadership continued to grow. *The Times*, a journal eminently friendly to him, printed daily letters expressing discontent, and summarized the criticism in a significant paragraph :

“ He has cultivated the character of an amateur in politics to a point which is maddening to ardent politicians. His closest advisers complain that they find it difficult to pin him to a serious discussion, or to extract a definite statement of his views, when he insists on straying to some book that he has read in the train, or to some eccentric don that he has encountered in Cambridge, or (worst of all) to the rural amenities of Worcestershire. Mr. Lloyd George's rhapsodies over the Welsh mountains never concealed his greater absorption in every turn of the party game. In Mr. Baldwin's case there is always the uncomfortable feeling that he really does take less interest in the hungry Conservative sheep than in the pigs of his native county. He appears to neglect the House of Commons—appears only, for, in fact, he is regular in his attendance ; at all events, he has deliberately abandoned that right of final intervention in important debates which was invariably claimed by his predecessors. He certainly neglects his rank and file—with the result, as is commonly held, that he is out of touch with the feelings of the party at Westminster. Finally (though the friends about him would hardly support this particular charge), he has carried his loyalty to former colleagues, some of whom are by no means loyal to him, beyond all the limits that are reasonably justified in public life. It is sometimes said—and there is a good deal of truth in the saying—that the defeat of his Government at the last Election was due far less to

any popular confidence in the Opposition than to the certainty that a Conservative victory would mean the reinstatement of the 'same old gang.' "

Mr. Baldwin summoned another party meeting, for the day when the South Paddington polling was to take place. In such a gathering it is taken for granted that the leader shall receive a vote of confidence. This meeting gave him the vote expected, but it also afforded proof of the great growth of unrest since the June gathering. It was preceded by a private assembly of hostile members, and at the official gathering on a secret ballot 116 Conservative peers, M.P.'s and candidates, out of 462, voted against their leader. Their protest having been out-voted they then agreed to support a vote of confidence. The result was hailed by the official Press as a great triumph for Mr. Baldwin. A few more such triumphs and he would be ended indeed.

Lord Beaverbrook was present and was called to the platform, amid considerable display of hostile feeling. But he refused to fight the battle there. The Press had been furiously attacked by some speakers. "I am not concerned to defend the Press in this assembly at this time," he said.

Next day the South Paddington poll was declared. It was a somewhat cruel aftermath to Mr. Baldwin's "victory" at the party meeting. The official Conservative candidate was defeated, and Admiral Taylor returned with a majority of 941 votes. "And we go marching on," was Beaverbrook's terse commentary.

South Paddington was followed a few weeks later by another trial of strength at a by-election in East Islington caused by the death of Dr. Ethel Bentham, the Labour member. The Conservatives were at the outset confident of capturing the seat, especially when the first Empire Crusade candidate, a young barrister, was induced to withdraw.

Late in the battle a fresh Empire Crusader, Brigadier-General Critchley, was found. The former Liberal candidate, Mr. Edgar Middleton, came out in support of the new movement. Then followed another brief, hectic campaign, directed and dominated by Lord Beaverbrook himself.

The Conservatives were furious. Active attempts were made to smash up the crowded Crusade meetings. A campaign of abuse was turned on Beaverbrook surpassing all that had gone before. Lord Hailsham—former Lord Chancellor of England—touched the depths of malignant vilification :

“ Lord Beaverbrook comes to East Islington and is compared to an elephant trumpeting in the jungle or a man-eating tiger. I am inclined to compare him to a mad dog running along the streets and yapping and barking. I would remind his lordship that the best way to treat a mad dog if you cannot muzzle him is to shoot him.”

The declaration of the poll chilled the hearts of the Conservative leaders. Labour retained the seat, but the Empire Crusader had secured over eleven hundred more votes than the official Conservative candidate

with all the weight of the party organization and old-established official machinery behind her.

However Mr. Baldwin had the consolation of another vote of confidence, this time from the City of London Conservative Association. The vote was not unanimous and was preceded by some frank criticism. "It is idle to shut our eyes to the fact that members of the party have lost faith in Mr. Baldwin as a leader," said one speaker. The time has come for a man who possesses the courage of his convictions. At the moment we have no such leader.

## SOME PERSONAL CHARACTERISTICS

THE private life of every public man must of necessity impinge on his more open career. The leader who imagines that he can shut his private affairs out of the view of the world is mistaken. Public interest can easily develop into greedy curiosity, but with certain limits it is natural and justifiable. A man's friendships, his habits, his mannerisms and his very amusements help to reveal the man himself.

Lord Beaverbrook is of his own kind. He marks out his own path and follows it. He chooses his friends because they interest him, and not for their position in life. He has many friends, great and small. All the world knows that he does not lay much stress on minor social conventions. His favourite portrait shows him in a soft collar and tweed suit. He loves music, well-known hymns, and old songs, and he loves to hear people singing together. Is he not the father of Community Singing? He prefers the society of writers, artists, and young people. He for long found his favourite outdoor recreation in tennis and his indoor amusement in bridge. He is very ready to help a lame dog over a stile. He would rather be cleverly attacked than fulsomely praised.

Some amazingly effective cartoons of him were drawn by David Low in the *New Statesman* and the *Star*. The caricature in the *New Statesman* was in particular a gem of its kind. Some time afterwards Beaverbrook engaged Low for the *Evening Standard* at a salary which made Fleet Street gasp. But Fleet Street gasped more when



it found Low, in his *Evening Standard* cartoons, still presenting Beaverbrook with the same impish grin which he had given him in the old days. I cannot, by the wildest stretch of imagination, picture a *Daily Mail* cartoonist treating Lord Rothermere in this fashion.

Two journalists wrote bitterly about him, A. G. Gardiner and, singularly enough, T. P. O'Connor. This is not surprising from Mr. Gardiner, whose marked gifts as a political correspondent are distorted by a somewhat unctuous assumption of rectitude when dealing with those who have been at once his political and journalistic opponents. He saw Beaverbrook as one who was working in politics without any particular aim or conviction—as complete a misunderstanding of his character as was possible—and held him up to the scorn of the righteous. What occurred to upset dear old “T. P.” I do not know, but on one occasion—in a trans-Atlantic paper—he dipped his pen in gall.

When, in 1926, Beaverbrook published *Politicians and the Press*, he insisted that these two should review the book for the *Express*, and would take no denial. Mr. Gardiner did his best to escape, but could not, and his criticism was given a leading place. “T. P.” found himself in rather an awkward corner. His natural genial good-humour and his political convictions came in conflict, so he wrote a brilliant essay, denouncing Beaverbrook's interference in politics, but praising him personally. “Not even the daring of Disraeli or of Anthony Trollope, who concerned themselves in their novels with stories of parliamentary adventure, ever

attempted to sketch a career of such remarkable and almost incredible success," he declared.

Some critics who are always looking for the complex in place of the simple declare that Beaverbrook's smile, his tremendous vitality and his simple directness of speech are all a mask. The case for this was well put by a writer in *Time and Tide*. "Lord Beaverbrook," he states, "invariably smiles widely for the photographer. Caricaturists love to give him an indiarubber visage. But in real life his normal expression is quite often one of brooding stillness. He has a strange, bronze, mask-like face in these hours, remote, silent, only the profound eyes gleaming and living. Considerable depths and reserves behind that face. . . . The *Mail* is run by bull-doggy men with hard, clenched faces ; but the *Express* is run by a smooth, smiling happy man, with a literary antecedent, a passion for song, and a profound and indestructible sense of humour. He is a sort of man who wins a game of tennis by brains rather than biceps. It is hard to imagine the *Mail* run by a man who trills grand opera airs."

Two pictures by men who have worked along with him help to illustrate him as he really is. Mr. Beverley Baxter, himself a Canadian, set out to analyse Beaverbrook's character in *McLean's Magazine* in the early 'twenties :

"In many ways Lord Beaverbrook possesses the most tremendous mental force of any public man in the world. I do not contend that it is the greatest brain, or that his mental horizon is more vast than that of men like

Mr. Balfour or Mr. Asquith, but literally it is a brain incapable of fatigue. Perhaps I may be pardoned if I illustrate this by a personal reminiscence.

"A few months ago I called for Lord Beaverbrook at his rooms in the Hyde Park Hotel, at 10.30 in the morning. After issuing fifty instructions on fifty different subjects to his various secretaries and after keeping two telephones in constant occupation, he adjourned with me for a game of tennis. After the tennis I lunched with him at the hotel, when the department heads of the *Daily Express* were at the table for a conference. After lunch he received a deputation of newsprint manufacturers from Finland. When that was over, a company of cinema producers arrived for a conference. After disposing of them and a hundred odd routine matters besides, he hurried to Downing Street in answer to a summons. At six o'clock he was at the *Daily Express* office, and in rapid succession dealt with journalistic affairs, from the angles of policy, finance, advertising, and the mechanical. At seven, I drove with him to his country place at Leatherhead, and on the way we thrashed out the international oil situation and what attitude the paper would take towards the affairs of the two great Trusts. Lady Beaverbrook was away, and we dined alone. At 1 a.m. he was still talking, just as energetic, just as incisive, just as brutally eloquent, as he was in the morning. Finally, he brought some argument to a head and asked me if I understood it.

" 'No,' I answered. 'For the last hour I have been listening to you, but though I realize that the words you were using are words I am accustomed to hear, they have no meaning to my brain. I am sorry—but I am finished.'

“ ‘ For heaven’s sake,’ said Lord Beaverbrook, ‘ why don’t you go to bed ? ’ a suggestion which I acted upon with the greatest alacrity.”

Hannen Swaffer, world famous as the film and theatrical critic of the *Daily Express*, set out to describe his chief in the *Paris Comet*. Swaffer cultivates frankness and, according to some people, delights in saying unpleasant things. No one who knows Swaffer imagines for one moment that he would soften his language because of the fact that Beaverbrook was, at the time the sketch was written, the chief proprietor of the *Express*. But in this case he had very little but good to tell :

“ Once, after I had been dining with Lord Beaverbrook in a public restaurant, and I heard him ask his wife for a shilling, to give to the hat and cloak man, I said, ‘ You remind me of Lord Northcliffe. He always used to walk about without money.’

“ ‘ What else is there about me that reminds you of Lord Northcliffe ? ’ he asked.

“ ‘ Oh ! ’ I replied. ‘ That would take me a long time. . . . ’

“ In some ways, indeed, Beaverbrook is very much like the Northcliffe that I remember ; in others, he is his contradiction. Northcliffe was by far the greater journalist, of course. Beaverbrook knows at least a million times more about politics, and, except in the mechanics of journalism, which Northcliffe had studied all his life, a thousand times as much of about nearly everything. He is much better read. He has much more knowledge of the world. For one thing, he does not go to bed at nine-thirty every night.

“ Since those days, I have joined his staff, and although I often do not see him—I only worry busy ones when it is necessary—I have been much impressed by the intelligence and charm of a man whom, before I knew him, frankly I did not like.

“ I do not remember asking him a favour which he has not granted me. Even when I wrote a book on spiritualism, he was good enough to write a preface vouching for my honesty of purpose, and thereby heading off certain newspaper criticism that I had invited.

“ During my two years as one of his dramatic critics, I have made enemies and experienced organized opposition. I have never known him fail to support me. Anyway, he likes a fight. Northcliffe seldom supported his staff. He was like Lloyd George ; it was always the other fellow's fault.

“ Beaverbrook has many enemies. He is misunderstood, in consequence, because he seldom troubles to reply to anything they say. Years ago, I heard the strangest stories about him. They were so persistent that I began to believe them, as did many other folk. Stories about financiers soon spread, and when a man has made a million by his own efforts before he is thirty, when he has come to England from somewhere overseas and burst into political prominence in a few months, and become a Minister of the Crown, the close friend of a Premier, and a newspaper magnate, all in a few years—well, the jealous ones will say things.

“ I can only speak of the man I know—a kindly and helpful person, who spends the greater part of his life, to-day, in learning the details of a journalism of which, as the years go on, he is getting more fond.

"When, before I joined him, I was present at one of his conferences, waiting until he could see me about some private matter, I heard him discuss for nearly an hour with his managers the details of some trifling difficulty with one of the mechanical unions. It seemed very stupid to me, and very wearisome.

"Northcliffe would have said 'Yes' or 'No' in a minute—and then, perhaps, been wrong. Beaverbrook listened to every word from everyone, except that, with the irritating way he has of asking questions, he would cross-examine and keep on asking more.

"'Your patience is astonishing,' I said when the others had gone. 'I could not put up with a dreary argument over a petty thing like that.'

"'I want to know all about it,' he replied. 'I am learning journalism now.'

"'Certainly you are learning it very well,' was my response.

"Then he plunged into my troubles, and with a most helpful and considerate kindness.

"Beaverbrook's habit of asking questions worries people more than he knows. When I joined him with Albert de Courville, one supper-time, de Courville was telling him all about gambling, roulette, and chemin-de-fer, I suppose, being a science unknown to Beaverbrook's Presbyterian youth in Canada. Beaverbrook's continual questions so worried me that I soon said, 'Good night!' He was kind enough, nevertheless, to go on to some cabaret with de Courville, to see some artist for whom de Courville wanted something done. I expect he asked questions about her all the way. And I am sure he did whatever de Courville wanted. He is like that.'

It is not often that one can publish a son's views on his father, but when Lord Beaverbrook handed over his controlling interest in the *Express* to his elder son, the *World's Press News* promptly interviewed the young man. Mr. William Aitken was more interested in talking about his father than about the paper.

“ I think the most impressive trait in my father's character—indeed, the key-note to his dynamic personality—is the thoroughness and verve he puts into all his undertakings.

“ By this I mean that everything my father does is in itself a beautiful piece of work, as direct, as sure, and as adequate as the best of human intelligences can make it.

“ When I was a small boy this quality of my father's influenced me very strongly. My imagination aroused by his striking example, I began to understand that efficiency is not just something that helps one to conduct affairs on sound economic lines, but a quality which makes one reliable, resourceful, and always to be trusted.

“ My father's one hundred per cent efficiency ran right through everything he did and made me desire to outrival it, though I must admit I did not quite see how I was going to be one hundred and one per cent efficient. Anyway, for years one of the main ambitions of my existence was to beat my father at something, and I chose tennis as being one of my father's favourite sports. I worked and worked at my tennis—yes, worked is the proper word, for ‘ played ’ would not describe the seriousness with which I applied myself to the game. At last I reached the form which I thought might wrest



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## SOME PERSONAL CHARACTERISTICS 237

the laurels from my father. But fate was against me. My father gave up playing tennis.

. . . . .

“ Surely, a leader to follow, a chief of whom to be proud, a master for whom it will be an honour to work ! That sums up what I think of my father.”

## TO-DAY AND TO-MORROW

**N**O political leader permanently retains the confidence of the British people unless they are convinced that behind his public activities there lies some unselfish ideal for which he is striving. Whether his ideal is right or wrong, is comparatively a minor issue.

Lord Beaverbrook was handicapped at the start of his political life by the fact that he had acquired great riches in a very short time, not by inheritance but by his own work. People took it for granted that he had adopted politics to satisfy a personal ambition for power. His control of a powerful section of the Press added to this distrust.

It is only since he has come out into the open, and faced crowds on scores of platforms during the past year that this feeling has largely disappeared. Men listening to him have discovered that here is, not a self-seeker but a prophet, a man who has a message which he must deliver, an ideal for which he must fight to the end.

Those who knew life in New Brunswick forty years ago recall in his speeches the fiery zeal of his evangelistic father. As one childhood's acquaintance, after listening to him at the height of an election campaign, wrote :

"The other night I heard him at East Islington. To me it was almost uncanny. His voice, his gesture, his language—where had I seen and heard it all before ?

"And then it came back to me in a rush of memory.

His father, the fiery, soul-saving Presbyterian minister of Newcastle, New Brunswick, lives again in his son.

"That is true. Beaverbrook is out to save the people. He has seen a vision, a vision of an Empire of happiness, the culmination of our ancestors' dreams and sacrifices. Ridicule, insult, applause are all one to him! His spirit is on fire. It is consuming his frail body, but all he asks of his body is a little longer to serve him, only a little longer until the people hear.

"I thought the other night he would suddenly ask us to pray with him. I almost felt the words: '*On your knees, O ye people, and pray for guidance!*'

"Some day he may do it. Some day one of his meetings will end with a mighty singing of the 'Old Hundredth.'

"The satirists will scoff. There will be jests and shrugs.

"But those of us who know him will understand.

"He has seen a vision, and the cry of the Covenanters is in the land."

"I believe that yours is the only policy that can save Britain from the disaster that is now so manifestly threatening us. I hailed you as the only man who has the courage, energy, and vision to give the country a great constructive lead. Your programme is not only practicable but popular, and I unreservedly pledge to its support the United Empire Party, of which I am the founder." So wrote Lord Rothermere in the summer of 1930.

Lord Beaverbrook has come to the front in British political life because of the necessities of the situation and because he has convinced men of his enthusiasm,

sincerity, and devotion, his capacity for leadership and his high purpose in serving the Empire.

A stage of economic crisis has been reached that threatens our national security. Life has been wholly transformed since mid-Victorian times, when our supremacy in the great manufactures of the world gave us wealth, power, and prosperity.

In the days of our splendid national opulence, we could afford to go our own way, squandering and scattering our Imperial resources. We can afford it no more. The Great War weakened our financial reserves and left a heavy burden of unremunerative national debt. For nearly forty years rival races have been improving their methods and developing their resources. Two generations ago, Japanese young men came humbly to Lancashire to study our cotton production. To-day, Lancashire is sending to Osaka to learn of Japan, and her rationalized and organized cotton industry has taken large parts of our most profitable Eastern markets from us. A little over thirty years ago we treated German shipbuilding, German steel production, and the German manufactures generally with ill-concealed contempt. To-day, despite the setback of the war, German ships and goods are swinging into the front line again. Thirty years ago British trade regarded the "American invasion" as a joke. To-day American capital holds some of our great national industries in its hands. It only seems yesterday when the best British steam coal was without serious competitors. To-day, our export coal trade is undersold by foreign rivals.

There is as I write a general economic distress

throughout the world, and Britain is face to face with an acute lack of employment that is threatening disaster to the morale of the people. Those whose business takes them to the industrial centres of northern England have become very familiar with almost hopeless misery. We see the world's finest handicraftsmen losing their skill, while remaining in compulsory and unwanted idleness. We are brought face to face with armies of youths, splendid raw material, rapidly degenerating because they have never learned to work, there being no work for them to do.

How can prosperity be restored? Drift means disaster. We can adopt a policy of nationalization and socialization, organizing employment on a costly and wasteful bureaucratic method. This is the policy of New Russia, which has piled up burdens on the people, but has at least provided work. Drift provides nothing. Or we can set out to develop the resources of our Empire for the Empire's good.

We have the men, we have the machinery, and we have the skill. Both in town and country, the fighting strength of the British productive forces could be quickly restored. The British farmer is still at his best the most skilled farmer in the world, and British live-stock are the picked breeding strains of the world. British goods have still a world reputation for dependability. British commercial methods are to-day, as for a century past, the world's standard for honesty and reliability. The lonely hunter in the Himalayas sends his skins of animals, trapped and shot in the wilds, with absolute confidence to the Mart in London, knowing that he will have as fair a deal

as though he were there to watch their sale. When the Pathan warrior seeks a knife for battle with neighbouring tribesmen, he looks to see if the word "Sheffield" is on the blade. Enter a Buenos Aires store, ask for a hat and enquire if it is good, and the shopkeeper knows that the best answer he can give, and the one most likely to please the customer, is the assurance, "It's English."

Lord Beaverbrook's policy can be summed up in two words—Empire co-operation. For over a hundred years we have adopted the policy of scattering and weakening our Imperial resources. We have encouraged the building up of barriers between different parts of the Empire. The great Dominions have become independent nations under one King. But these Dominions are still predominantly British. Their interests and ours touch one another at innumerable points. Their prosperity and our own are closely bound up together.

"The Dominions will not join in," say the objectors. If by this it is meant that the Dominions will not at once consent to remove all tariff barriers against other parts of the Empire, I can only reply that none but a numskull thought that they would or believed that anyone expected it.

The goal of Imperial economic unity will be attained step by step. The Dominions would go a long way with us and the Crown Colonies can be brought fully in at once. When Mr. Baldwin demanded of Lord Beaverbrook his policy, he replied :

"What we can attain now is a 'tariff wall' round the Empire, with duties on foreign foodstuffs, which is an essential part of the programme.

“Inside this Empire there would be absolute Free Trade with the Colonies, subject to existing revenue tariffs; there would be limited partnerships with the Dominions.”

We can join ranks with mutual profit. We can work together to develop to the best advantage the vast still untouched wealth of our Colonial possessions. Within the limits of the British Empire can be found wealth and prosperity for all its people. Men of all parties are beginning to discover that old formulas and mid-Victorian theories do not apply to the world of to-day. The older members of the Labour party may still have their heads wrapped and their brains bemused with the barnacled theories of Cobdenism, but the younger men are moving away from them. Even Liberalism, the entrenched home of Free Trade, is beginning to raise its voice against dumping. Among the Conservatives, a movement that a few years ago was largely confined to a limited group has now captured the imagination and is inspiring the purpose of a growing host of the rank and file.

Lord Beaverbrook has envisaged this new National and Imperial aim. He has seen a vision ahead, of a transformed, strengthened, and prospering Empire. And that which he sees in vision to-day will become the reality of to-morrow.





## **APPENDICES**



## APPENDIX I

### SPEECH ON EMPIRE FREE TRADE, HOUSE OF LORDS, NOVEMBER 19TH, 1929

**L**ORD BEAVERBROOK rose to ask His Majesty's Government if they will do anything to encourage the movement for Free Trade within the Empire. The noble Lord said: My Lords, I rise to put the Question to His Majesty's Government that is on the Paper in my name. In doing so, I may be permitted perhaps to explain what we mean by Free Trade within the Empire. We mean a movement which is to develop the resources, the industry and the commerce of all parts of the Empire to the fullest possible extent and for that purpose, so far as may be possible, to make of the whole British Empire one economic unit, to do everything in our power to break down all obstacles to Free Trade within the Empire, and to make the financial resources of the Empire more fully available for the benefit of all parts of the Empire. I suppose that in these proposals we shall have general agreement, but when it comes to the methods by which we hope to carry them out there may be considerable points of difference. We hope to carry them out by building up such tariffs against the foreigner as may be necessary to realize those ideals.

Perhaps I may be permitted at once to say that our plan is not the plan put forward by Mr. Chamberlain in 1904. In saying that, I do not wish to dissent in the very least from the Chamberlain programme. On the contrary, I was a supporter of that programme and a humble follower of Joseph Chamberlain. But our plan does differ from the Chamberlain programme. We only wish

to make out a case for the duties because it is said by the critics of the Chamberlain plan that it was four times rejected by the electorate. I do not agree with that statement at all, and I think most of those who think with me will disagree profoundly with it. But at the same time, for the reason that the statement is made, we have a right to declare that our plan differs from the Chamberlain plan. It differs in this respect. The Chamberlain plan proposed a tariff wall around Great Britain. It was insular Protection. That insular Protection was subject to reciprocity in favour of the Dominions and of the Colonies. Our plan is a tariff wall around the whole Empire and, of course, the building of that tariff wall is conditional upon reasonable response from the rest of the Empire. Then again the Chamberlain plan proposed a duty on Empire foodstuffs, subject to rebate. We do not propose any duty at all on Empire foodstuffs. On the contrary, we declare that Empire foodstuffs shall be free of duty if our plan can be carried into effect. I must say that I firmly believe that if Mr. Chamberlain had had to deal with these issues at this time he would have brought forward our plan, and I also think our plan really flows from the Chamberlain plan. But it is a fact that in 1896 Mr. Chamberlain, with a proposal for our plan before him, actually rejected it. He gave as a reason for rejecting it that the burdens that Great Britain would have to bear were so huge, because of her immense foreign trade, in proportion to the advantages, that Britain would be carrying a much heavier load than our fellow-subjects overseas.

The next question that arises is whether our plan,

if carried into effect, is really worth while. I am indebted to a manifesto recently issued by my noble friend Lord Melchett for some figures which I would lay before the House and which, I think, justify our contention that the plan is worth while. These figures show that the total imports of the Empire amount to £2,200,000,000 yearly. Of these total imports of £2,200,000,000, only £900,000,000 are brought in from one part of the Empire to another, leaving a surplus of £1,300,000,000 imported from foreign countries. We believe that this immense surplus of £1,300,000,000 offers us an opportunity which alone makes our plan worth while. But we go further in our assertions and point out that since the war the exports of Great Britain to the Dominions, Colonies, and Dependencies have grown by 67 per cent, and at the same time the exports to foreign countries have grown by only 16 per cent. The figures for re-exports are : 60 per cent to our own Empire and only 5 per cent to foreign countries. These figures constitute for us a further argument in favour of our contention that the plan is worth while.

Now I come to my next argument, which involves a comparison with the United States of America. The United States has become of late a great menace to the British manufacturer. In fact, in 1913, the year before the war, American exports of manufactured goods were half those of Great Britain. Now, in the year 1929, American exports of manufactured goods are actually more than the exports of Great Britain. If ever there was an important industry it is that of steel and iron. During these years the American position has changed to such an extraordinary extent that the Americans now

have five times the output of iron and steel that we have in Great Britain. Not only so, but under the existing conditions America is actually attacking us in our own Dominions. The imports of the Dominion of Canada from Great Britain have shown no development at all. In fact, if we take into account the different value of money between the year preceding the war and this present year, the imports of Canada from Great Britain have actually declined by 10 per cent, and all through these years the Canadian imports from the United States of America have grown steadily. A similar comparison of the condition in Australia gives very much the same results. In 1913 Australia bought 52 per cent of her manufactured imports from Great Britain. In 1927, which is the last year for which figures are available to me, Australia imported only 41 per cent of her imports of manufactured goods from Great Britain. During this period her imports from the United States of America actually doubled, and they now amount to the very considerable figure of 25 per cent of the whole.

What is the reason, we ask ourselves, that the American position has improved so rapidly compared with that of Great Britain? We are convinced that it is due to mass production in the United States, and that this mass production is founded on the American domestic market. We argue that the Empire, with a larger area, with a bigger population and with more buying power, offers as good an opportunity or a better opportunity for the same development of mass production and for the same reliance upon the domestic markets. But in order to attain this we urge that economic fusion within the Empire is completely essential. The objection so frequently

directed to those of us who support this plan is that it cannot be done. We think it can be done, because it has been done. It has been done, for instance, in Canada. In 1842 there were six separate Colonies in Canada. These Colonies all had separate tariffs. Some of these tariffs were designed for Protection, and two, at any rate, were for revenue purposes only. There were in the Dominion of Canada two races and two religions. There were the French Canadians and the English. The French Canadians were Roman Catholics and the English were Protestants. When the idea of a Union was brought forward in 1842 it had few supporters, but these grew in number, and the first effective steps in favour of the Union were made in 1867. Even so, the year before the Union was brought about the Province of which I am a native rejected it at the poll, and when it was brought about in 1867 two Provinces refused to join it. Notwithstanding these facts, the Union was carried out, and one of these Provinces joined very shortly.

When the Federation took place the distances between the Provinces were very great. It was a long journey from Eastern Canada to what were called Upper and Lower Canada, and the journey was made under very great difficulties. In the winter one Province had practically no access to the others, and during the summer months waterways had to be relied upon altogether, under immense difficulties, and great periods of time were passed in reaching the various Provinces that had joined in the Federation. Further, there was one Province, British Columbia, which was distant from Upper Canada by over 2000 miles, and there was no communication between British Columbia and Eastern



Canada at all. Indeed, the area between Upper Canada and British Columbia was almost a desert, with a great mountain range which was inaccessible and with no communication by telegraph or telephone, as there is now. There were no means of access by waterways. And yet this Union was carried out.

I pass at once to the Australian example. In Australia there were six separate Colonies. The Union of the Commonwealth was carried through in nine years, but during that time New South Wales had actually rejected it on one occasion, and when the Commonwealth was brought into being the State of Western Australia actually exercised the right to levy duties, and exercised it for five years after the Commonwealth was in being. We take great encouragement from the experience of Canada and Australia. We have yet another example in the United States themselves. After the War of Independence there were thirteen separate Colonies in America, all claiming separate sovereign rights. These Colonies set up tariffs against one another. One State was actually charging heavy duties upon the ships' bottoms of another State, and there was practically no traffic between New Jersey and New York. Yet five years after the War of Independence an attempt was made to consolidate these thirteen separate sovereign States. Efforts appeared to move very slowly in the direction of success for a long time, and it was only with the greatest difficulty that the States were finally brought together, with three dissenting States. North Carolina, Vermont, and Rhode Island all refused, but in the end, of course, these States joined in what we now know as the United States of America.

Of course, these examples are familiar to me, but another example, which is perhaps more familiar to the people of this country than any other, is the German Zollverein, which took fifty years to grow. During that time there were separate tariffs, separate fiscal systems and currencies, and Free Trade areas also, within the Zollverein. It is now merged into what we now know as the German Empire, and we have recently seen figures quoted in the newspapers to show the immense progress which the Empire is making, in competition with us, in the sale of manufactured goods.

If I have made some headway in suggesting that a union of the Empire can be secured, because it has been reached elsewhere in similar circumstances, I would like to pass on at once to the very next question directed against us most frequently and, as our critics think, with most damaging effect. That is, will the Dominions consent to it and have a fiscal union? We believe that they will, and in support of our belief we would refer first of all to New Zealand. I have here the New Zealand Official Report of the proceedings in the New Zealand House of Parliament on July 17th. I have here a declaration by Mr. Cobb, the Minister of Industries and Commerce. Mr. Cobb declares that he knows of no remedy for the state of affairs which had been brought to his attention during the debate except Free Trade within the Empire, and a tariff against foreign nations similar to the tariff which they imposed upon our exports. Mr. Cobb goes on to say :

“ The Empire of which we are part should not be a mere counter for the display of the manufactures of other countries. Of course, it may be said that we in

New Zealand are actuated by selfishness when we advocate the encouragement of inter-Empire trade. But can we be blamed if, in doing good to the Empire as a whole, we do good to ourselves ? ”

I think that represents the attitude of New Zealand. I think I have clearly established that New Zealand not only looks upon Empire Free Trade as something obtainable but as something really beneficial to New Zealand itself.

Then I will deal with Canada. There has recently appeared on the Order Paper of the Dominion House of Commons a Resolution put down by Mr. Fansher, a member of that House. He is a Progressive. The Progressive party, I think, numbers about ten. It has been an important factor in Canadian politics for some years. He has put down a proposal for consideration at the coming Session of Parliament of the question of providing a progressive increase of the British preferential tariff, with the object of Free Trade with the Mother Country within five years. His Resolution is very important, and I believe it does show a general support in the Dominion of Canada of the movement in favour of Free Trade within the Empire. Further, there is considerable newspaper opinion in Canada in support of the movement, and it is influential opinion. I do not deny that there is considerable opposition amongst newspapers to the movement, but there is also real support for it. And why not ? Canada has a great deal to gain from Free Trade within the Empire.

First of all Canada must consider her markets. Her greatest market is in Great Britain, and that market is

for wheat, the produce of Canada. In the year 1928 Great Britain took from Canada 70 per cent of all her imports of wheat. In the present year the situation has greatly changed for reasons which I hope to deal with shortly. The Argentine shipped into Great Britain 340,000 tons of wheat in September, and 320,000 tons in October—ten times as much as the Argentine sent in a year ago. Canada has sent to Great Britain in the same time less than half as much as was sent by the Dominion in 1928. Canada is conscious of the fact, because it is really underselling by the Argentine in this country. Canada has much to expect from the sales of wheat here, and could and would be prepared to make considerable concessions to ensure that market. It will be said that Canada already gives a preference to Great Britain, but it is not a preference of very great real value, because in practice it does not work out just as we would like it.

At the present moment the United States of America sells to Canada a thousand millions of dollars worth of goods a year, more than half manufactured goods. Great Britain, on the other hand, sells to the Dominion only two hundred million dollars' worth of goods a year, and more than half of it is raw material, and the manufactured goods include whisky. There is a very big export of whisky to Canada. There is a great disparity between the figures of sales by Great Britain and by America in the Canadian market, and it seems perfectly plain that Canada, without in the very least damaging any of her industries, can still under a system of Empire Free Trade, subject to such limitations as we admit are to be imposed in order to protect key

industries and important industries of the Dominions, impose conditions in relation to her trade with Great Britain which will immensely swell the output of this country.

Then take Australia. It is said that Australia will not have Free Trade within the Empire. Why not? Australia has a great deal to gain from it, and since many Australians look at it entirely from the economic point of view, perhaps I may be permitted to do the same. We have declared that it is desired to make the financial resources of the Empire more fully available for the benefit of every part of the Empire. Australia has a great deal to gain out of furthering the financial resources of the Empire. Australia is very greatly in need of credit, and if the Empire is in a position to furnish that Dominion with additional credit facilities that in itself is a very great concession. I must say I am entirely in favour of doing so, for I am convinced that if Britain does not furnish the necessary credit for Australia, that Dominion will naturally apply to the United States of America. I am equally convinced that the United States of America will at once turn a listening ear to the Dominion. At any rate, there is a great deal in the way of real advantage to Australia if the financial resources of the Empire were made more fully available for that Dominion.

Then again, Britain is in any case the best customer that Australia has. Britain takes from Australia more than any other nation of the Dominion's wool, meat, and wheat, and these three commodities are the most important items in the Commonwealth's exports. The total exports of the Commonwealth amount to

£142,000,000. Of that amount £108,000,000 is agricultural produce, £10,000,000 is gold and £4,000,000 lead, and the manufactured goods exported by the Commonwealth are practically negligible ; so it would be right to say that the exports of Australia are primarily agricultural exports. Australia, like Canada, must be greatly interested at the present moment in the sales of Argentine wheat in the British market, for if the sales of Argentine wheat are to continue, Australia will find a damaged position for her products here. Then again, Australia is interested in the £28,000,000 worth of beef that Great Britain buys from abroad. This beef is at present supplied by the Argentine. There is a great deal to be said for the supply of beef from the Argentine ; there is also a great deal to be said for getting that supply of beef elsewhere.

At the present time the Australians buy £140,000,000 of manufactured goods. Of those £140,000,000 little more than half come from the Empire ; £65,000,000 come from foreign countries. Why should not Great Britain share in that £65,000,000 ? I am bound to say it is my firm conviction that Great Britain could quite easily obtain in the Australian market, without any damage whatsoever to Australian industry, and relying only on the invasion of the foreign markets, at least double her present sales to that country. For instance, Australia is buying yearly £14,000,000 worth of motors. Of this purchase £9,000,000 actually come from the United States of America, and £1,000,000 from Canada, with less than half a million from Great Britain. There seems a real opportunity for expansion in those directions, without the slightest damage to the existing key

industries of the Dominion of Australia. Then again, there are the advantages which these Dominions will have in trading with each other. If we succeed in establishing our fiscal system, whatever opportunities we get for trading with the Colonies and Protectorates, they will enjoy exactly the same opportunities as we shall enjoy ourselves.

Now I go on at once to the difficulties which stand in the way of our project, for I admit that there are difficulties, and very great difficulties. I am told that the greatest difficulty is that the electorate will never consent to a tax on food. I cannot at all accept that declaration. The Republic of France has submitted to a tax on food. The Colonies of that Republic send their foodstuffs into the home country without any tariffs at all, but tariffs are strictly enforced against the foreigner. The people of France are quite as democratic as the people of England. If France could be persuaded to adopt food taxes, I do not see why England cannot be persuaded to take the same course. But, in any case, our plan has some features which the electorate have never had the opportunity of considering. Under our plan, we do not propose any duty whatsoever on Empire produce, whereas under the Chamberlain plan there was a proposal for duties on Empire produce. That is the first difference, a difference which I think will commend our plan to the electorate.

The second point is that under present conditions the Empire can feed herself. That was not the situation in Chamberlain's time at all. The Empire could not feed herself in Chamberlain's time. Since Chamberlain's day Canada and Australia, for instance, have

increased their wheat output by five times, and there is now in the Empire an annual production which gives a surplus in the Empire of 20,000,000 quarters of wheat, 1,000,000 quarters of barley, and sufficient oats for our purposes—a very different story from a few years ago. We also have now in the Empire plenty of cattle. We have far more cattle than the Empire requires. Our sheep are far beyond our necessities. Australia now has twelve million head of cattle. England and Wales only have six million head, and Scotland and Ireland, North and South, have six million head; so that in Australia there are as many head of cattle as in England and Wales, Scotland and Ireland, North and South. North and South Rhodesia are also increasing their cattle stocks with great rapidity, and there are many persons who believe that Rhodesia will shortly increase per head of cattle at the rate of half a million yearly. The Canadian cattle will shortly be available to the Empire, too. Canadian cattle have been drafted for a long time into the United States of America, where the duty has only been 1½d. a pound; but the American Congress are now proposing to increase the duty to 3d. a pound. The moment that is done there will be plenty of supplies available in Canada if we wish to make purchases there. I have only dealt with wheat and meat, but if noble Lords would examine the figures it will be seen that the Empire can really supply under existing conditions all the foodstuffs she requires, with one or two negligible exceptions.

The last, and perhaps the most difficult, of the contentions that we put forward is that there will be no increase in the cost of food. We make that contention



and we try to support it by argument. And this is our argument : there will be no increase in the cost of food under our plan, because there will be no shortage. There will be a surplus, and there ought not to be any increase when there is no shortage but really a surplus. But we go further. We point out that at the present prevailing price for wheat, which is about 40s., or even less, a quarter, bread is selling at a given price. If the price of wheat were increased to as much as 55s. a quarter, an increase of as much as 40 per cent, there ought not, in our belief, to be any increase in the price of bread. In support of that, I will quote some figures. In August, 1924, and in March, 1928—two dates that I have selected out of a long list of dates—bread was selling at 9½d. ; yet in August, 1924, wheat was selling at 58s. a quarter, and in March, 1928, wheat was only 43s. 6d. a quarter. So here you have actually a difference of 15s. and yet the same price prevails for the four-pound loaf.

I quoted these figures recently and somebody said : " I am not in the least impressed by these figures carefully selected for good periods. It is well known that the price of wheat varies more rapidly than the price of flour, and varies more rapidly than the price of bread." So I went back to my figures, and made up the figures for the price of wheat and bread over the seven years from 1922 to 1928, and I assure you that an examination of those figures shows, and shows clearly, that the contention that bread can be sold at present prices when wheat is as high as 55s. is really borne out. In support of that let me quote to your Lordships the years 1922 and 1924. I have taken those two years for purposes of comparison. Wheat in 1922 and in 1924 was selling

at exactly the same price ; yet in 1922 bread was actually one penny more than in 1924. Let me take the years 1926 and 1927 when bread was selling at the same price. In 1926 wheat was 53s. and in 1927 it was 47s. Therefore, I declare that an examination of those figures would convince almost anybody that there is sound ground for saying that an advance in the price of wheat from 40s. to as much as 55s. does not involve any increase in the price of bread at the present time.

I come to the next commodity that is used by the people in great quantities ; that is, mutton. There is no case to make in regard to mutton at all, because it all comes from the Empire, and I think I can at once pass to beef. Under our plan will there be any increase in the price of beef ? We import more than half the beef which is consumed in this country. Of that import as much as 90 per cent comes from the Argentine. We are about to have a new element in the beef trade. The Uruguayan Government is coming into the market in Christmas week. The Uruguayan Government has got rather jealous of the Argentine shipment of beef, so it is coming in with a cargo at Christmas. Why should we take this foreign beef at all ? Is it necessary to do that at all in order that we shall have cheap beef ? The reason why we take Argentine beef at all is that the lines of communication have been established with that country. The lines of communication are very efficient. The ships, the storage plants, the abattoirs, the unloading and loading plants are all very efficient. The trade is all in the hands of five separate firms, four of them American and one of them British or Argentine, I do not know which. The firms are Swifts, Vesteys,

Armours, Morris, and Wilson. Of these Swifts, Armours, Morris, and Wilson are American.

Those five firms control the trade with the Argentine. Please understand that I make no complaint of it at all. I am in favour of many of these things. Two of these firms, Armours and Morris, have undertaken to act together in the British market and separately in the Argentine. These five firms fix the price at which they will buy the Argentine beef. I am told on good authority that one of them, Vesteys, has as many as 5000 butcher shops in Great Britain—5000 distributing shops. These very large firms can develop exactly the same market in Empire beef. The opportunity is there. They have merely to turn to Australia with their lines of communication all built up. It is said that it is no use going to Australia because you cannot chill beef if you bring it from Australia : you must freeze it. You can only chill beef that is brought from the Argentine, it is said ; the voyage from Australia is much too long. I do not agree with that. In the first place, I do not think that beef that is brought from the Argentine is chilled. I think it is practically frozen. The temperature falls, I think, as low as  $29\frac{1}{2}$  degrees and that is considerably below freezing-point. Some, or rather all, of the Argentine beef brought into this country is practically frozen. Further, the period of time that it takes to bring Argentine beef here is five weeks altogether. I have a letter from the official secretary of the Commonwealth of Australia saying that a cargo of beef has been brought from Australia in 29 days ; that the average time for loading and unloading is four days, making in all 33 days. If it can be brought from the Argentine in a

chilled condition in five weeks it can be brought from Australia in the same period of time.

It seems to us quite plain that we have only to persuade these firms by fiscal and economical advantages to turn their energies to the Australian meat market instead of devoting themselves altogether to the Argentine market. We admit at once that the quality of the Australian beef must be improved. Actually there is no incentive to improve the quality until the Australians can find a market. There is not much use in their improving quality if there is no opportunity of selling their beef here. And even supposing we cannot divert the Argentine trade to Australia—I am strongly of opinion that we can—there is still Rhodesian beef that can be brought here in large quantities, and there is Canadian beef, which is much better in quality than the Argentine beef. Again, if Canadian beef is brought in it will be a great advantage to us in bringing in Canadian cattle on the boat, because that means business in hides and so on.

In support of my contention that our food under our plan will not be increased in price let me say this. The inferior parts of Argentine beef sell in Great Britain at the same price as the inferior parts of British beef; it is only the superior parts of British beef that sell at higher prices. The better parts of British beef sell at from 4d. to 8d. more than the prices obtained for the better parts of Argentine beef. But the superior parts of British beef are worth the extra price. You cannot get the same quality of beef from an animal fed on the pampas that you can get from animals fed on British pastures. If there is an increase in the beef

from within the Empire I have not the least doubt that there will be an increase in the sale of British beef. I must slip through my argument with regard to the price of food. But I think it is certain if I had time and could prevail upon your patience, I could prove that the same conditions that relate to wheat and beef and to mutton apply to practically all the other foodstuffs that are necessary for our consumption.

My next argument is all in favour of our plan for Free Trade within the Empire. It is an argument that cannot be ignored. It is the economic pressure of events not only on Great Britain but on the Dominions and the Colonies. That economic pressure is the new phase that is appearing in our commercial relations as exemplified by the dumping and subsidising that is going on wholesale. There is, of course, the East Prussian dumping, about which my noble friend Lord Bledisloe has made the case in your Lordships' House. He made it, if I may say so, very clearly. I could add nothing whatsoever to it, nor could I make it nearly so well. There is, of course, a clear case against the present system of dumping from East Prussia under subsidised conditions, and if it is to continue there must be a complete disturbance of the whole economic structure here in Britain.

Passing at once to the Argentine, the Argentine is at present producing wheat at a price as low as 20s. per quarter. I have stated previously that the price was 25s. a quarter, but some calculations have recently come into my possession which convince me that the Argentine is producing wheat, at the moment, for as little as 20s. a quarter, and that compares with a cost of production here

of something in the vicinity of 50s. a quarter. It does not bring any cheaper food to the mouths of the people of this country. But there you have this cost of production in the Argentine of 20s. per quarter, and this cost of production in Great Britain of 50s. per quarter. When we examine the figures relating to beef we find that the cost of production in the Argentine is 27s. 6d. per live cwt. The cost of production in Great Britain is far in excess of that. The reason why the Argentine is in a position to produce at this low level is that they have cheap labour—labour that would not be tolerated in Great Britain for a moment—and it is really the protection of the labourer himself that makes it essential something should be done to deal with the Argentine problem.

There is a third economic issue, far more important than either of those, and that is the creation of the Federal Farm Board in America of which very little seems to be known in Great Britain. The Federal Farm Board was set up by the acts of Congress and the Senate. It is constituted of a body of eleven members, with a voluntary worker as the chairman of it. The Federal Farm Board is endowed by the American Government with a fund of 500,000,000 dollars, and with this immense sum of £100,000,000 the Board is instructed by the Act to use the money for two purposes—firstly, to subsidise the farmer, to advance money to him for the purpose of providing transportation facilities, storage facilities, elevators and so on, and to provide him with those facilities at a rate of interest which in practice works out at  $3\frac{3}{4}$  per cent. There is, therefore, a new economic situation in America, where the farmer

gets his financial resources at a cost to him of  $3\frac{1}{2}$  per cent.

But that is not the real point of it. The point is the second instruction to the Federal Farm Board—an instruction that the money shall be used for the purposes of stabilizing prices and for dealing with surplus. Let us see how that is applied to wheat in practice at this moment. The Federal Board with 100,000,000 dollars, one-fifth of the fund available at the moment, has actually gone into the Chicago market and has taken up 100,000,000 dollars worth—£20,000,000 worth—of wheat. It has taken up this immense quantity of wheat, advancing to the farmer 96 per cent of the fair price—not the market price, but the fair price, the price fixed by the Federal Farm Board. It is a price which is arrived at by calculating the cost of production. Having advanced the farmer 96 per cent of the fair price of the wheat, the Federal Farm Board is in the position of having to decide what has to be done with the wheat. Of course it has to be sold in the domestic market, and to be sold at a fair price or at the prevailing price. Any loss has to be borne by the Federal Farm Board. But what about the surplus, for there always is a surplus in the United States of America? The surplus has to be sent abroad. Where? It can only be sent to one market, only one market in the world, and that is Great Britain. When it gets here it has to be sold in this market at any price it will bring. The difference between the price at which it is sold and what is called a "fair" price in America has to be paid for out of the funds of the Federal Farm Board.

That is a new economic situation and condition and it

must be dealt with. It can be dealt with by means of our plan of Free Trade within the Empire. But supposing it is not dealt with, what is going to happen next? Canada at this moment produces wheat at 25 cents or 30 cents a bushel less than the cost of production in the United States. That is the advantage Canada has over the United States of America. Canada has been satisfied with the export market so far—entirely satisfied with it—because of that advantage over America of 25 or 30 cents a bushel in the cost of production. These are internal problems in Canada. But suppose that the system of the Federal Farm Board gets into operation, which indeed it will, what then? Immediately the American farmer, with a sure market for his wheat, will increase his acreage under wheat, and there will be more American wheat for export. The Canadian farmer will then go to his Government and say: "What about the Canadian farmer?" And the Canadian Government will have to deal with the situation by emulating the American example. There will then be a Federal Farm Board in Canada, too, and subsidized wheat for Canadian export as well as for American export.

These are economic conditions in a new world that have to be faced by many of us who lived in the old world. We have to attune our minds to the new situation. Unless it is dealt with the whole industrial structure here in England—the business and financial and industrial structure—must pass away and something else be put in its place. Farming, after all, is still the most important industry—not only in Great Britain but in the Dominions, and if the farmer is ruined, what



about the manufacturer ? There is nothing left for him. The farmer is his market ; he depends upon the farmer in order to sustain his structure ; and the moment the farmer goes down the manufacturer goes with him. Manufacturers, therefore, ought not to be so jealous of their own interests as to close their eyes to the farmers' conditions not only in England but throughout the Empire under this new economic menace. I am satisfied that wheat at 55s. will not increase the price of bread. Wheat at 55s. for the farmer in Great Britain, or at something even less than 55s., means a living. At anything much less than that it means destruction.

I should have liked to proceed now to deal with our policy in relation to the problem of unemployment, but I have taken up so much time that I am going to allude to that subject only in the hope that somebody else will deal with it. It can be dealt with and it should be dealt with, and ours is the only policy that really offers an opportunity for solving the problem of unemployment. Instead of dealing with that problem, however, I am going to end my remarks upon a most optimistic note. It is a note that has often been sounded, but one that cannot be sounded too frequently particularly in our legislative bodies. There are in the world five great ports that stand far above all other ports. Those ports are London, New York, Liverpool, Hong Kong, and Montreal, and of those five ports four are in the British Empire and one in the United States of America. We control half, or more than half, of the world's supplies of cattle, of cocoa, of gold, of ground nuts, of jute, of nickel, of palm oil, of rubber, and of sheet tin, and in a very short time, probably another year or two,

we will control half, or more than half, of the newsprint—the print on which newspapers are printed—in the world, with immense forest resources at the back of it. We also control one-third of the world's shipments. That is a brilliant, a splendid inventory, very briefly told, of the assets of the British Empire.

But even if you exclude the Dominions, and if you exclude India and Egypt, and take only the United Kingdom and its non-self-governing Colonies and Dependencies you find that we have an area of 3,500,000 miles against only 3,000,000 miles in the United States of America. You will find the same population as the United States, and natural resources, agricultural and mineral, greater than in the United States of America, and with not less formidable brains, courage, energy, and ingenuity the race is as well equipped to deal with these assets as their most successful rivals. This is the opportunity. If we reject it now, we can never expect to get another chance.



## APPENDIX II

### BROADCAST TALK, LONDON, NOVEMBER 27TH, 1930

**I** AM here to expound an idea to you—the one idea, in my judgment, that ought at this moment to command all the political energies of all British people. It is the idea of the Free Trade Empire.

There is one question which we are often asked, and which is, I dare say, in the minds of many of you to-night. We are asked to explain why we have chosen to give our policy the name of Empire Free Trade. Well, I will explain.

The system under which we in Great Britain live at present is popularly known as Free Trade. What it means is that merchandise from all over the world comes into our markets free of taxation.

There are, of course, the existing duties on certain sorts of merchandise, but these are negligible in comparison with the sum-total of the merchandise that comes in free. That is what is generally meant when people talk about Free Trade.

Now we want to put a limit on that system. We want nothing to come free of taxation into our markets that does not come from some part of the Empire. We want our markets to remain free so far as the Empire is concerned.

But we propose to put a check on the importation of merchandise from foreign countries. Therefore we express the limitations we seek to impose on the present system by calling our policy Empire Free Trade, as opposed to World Free Trade, which has been tried and has failed us.

There is another question which is put to us as often. We are asked to say whether we want to make all markets throughout the Empire as free to imports from other parts of the Empire as this market of Great Britain. Our answer is : Yes, we do.

That is the ideal which we set before us, the goal by which we shall measure our progress. We know that it is a goal not to be attained at once, or even soon, but we shall not be satisfied unless we feel that we are moving towards it.

Movement in the chosen direction is what we ask for. Once you begin to move you often find that you can go further than seemed possible before.

So I ask you now to take no notice of the people who will tell you that you can never reach the goal at which we aim. "Never" is a word that means nothing in politics. Let us begin, and we shall see whether what can "never" be achieved is not something that will look easier the further we go.

What we want is a beginning, and we are willing to work with anyone who is ready to begin.

Horne Tooke once said that his friends might, if they pleased, go as far as Slough—he should go no further than Hounslow, but that was no reason why he should not keep them company as far as their roads were the same.

We welcome people who are willing to come part of the journey with us ; we can discuss our differences when our roads diverge. But we are not disturbed by the people who talk about "never." Let us only begin.

So I ask you now to consider the ends we hope to gain by the realization of our idea—by the realization of

the idea of Empire Free Trade. They are two : but they are two so intimately connected that each contributes to the other.

The first is the employment of our own people for the satisfaction of our own needs. And the second is the unification of our race—its unification in the manner that will best fit it for the work in the world.

If you will think of the first of these aims (the employment of our own people) you have before you, whenever you choose to remember it, the most striking fact that anyone can give you. There are in these islands more than two and a quarter millions of human beings who are capable of working, and who want to work, but who can find no work to do.

These are the people who, as we say, are “on the dole.” Now that word “dole” is generally spoken in a rather contemptuous tone. If it is because we think contemptuously of the system that makes it necessary, then I will say it with as much contempt as anybody.

But I am not going to speak contemptuously of the people who draw the dole. If I know the race to which I belong (and I have seen it in many parts of the world, and I think I know something about it)—if I know the British, the man or woman who prefers a pittance for idleness to good wages for hard work is an exception.

What on earth has happened, then ? Are we really to believe that these people—our own people, more than two and a quarter millions of them—are simply useless ? That is what it would seem to amount to on the face of it.

For remember, while we are leaving our own people

unemployed we are hiring foreigners to work for us. We employ South American peons and German peasants to grow our wheat for us, Danes to raise and cure our bacon, and herdsmen of the Argentine to look after the cattle that provide our meat.

All these are just as truly in our employment as if we were paying their wages every week. But we cannot find employment for two and a quarter millions of our own fellow-countrymen. We leave them to line up every week and draw the dole.

Now I tell you that this is absurd, that it is not to be endured, and that we will not endure it. But I am not going either to laugh at or to scold the succeeding Governments which have tried and failed to find a remedy within the four corners of our old system of Free Imports.

Of course they have failed ; of course they will always fail. Our people are out of work because our economic system is out of date. When we bring it up to date there will be work for them all.

For these human beings are a part of the unused wealth of the British Empire. The wealth of a race consists in its own human energies, and in the material resources which it controls. But this wealth will remain unrealized until the two are brought into co-operation.

On the one side we have good brains and strong hands. On the other side we have all the riches that earth provides, the things that can be grown on the surface of the earth, and the things that can be mined in the bowels of the earth.

But all these will profit us nothing unless we find a way of bringing human energies to bear on material

resources. The crops must be grown, the minerals must be brought to the surface. Otherwise what has been given us is being wasted, and in this world there is no toleration for waste.

But though I must use that strong word, I do not want to approach our problem entirely by talking about waste. I have told you that our gospel is one of hope, not of despair. And so I prefer to think of the good brains and the strong hands, of the crops and the minerals, as wealth which we are just on the point of beginning to use properly.

Consider for a moment what there is for us to use. The British Empire covers a large share of the globe, and much the richest share. The United States straddles across one continent and Russia across another ; but neither of them has what we have.

Our Empire can produce virtually everything that is needed by its inhabitants. It can produce the food we eat and the clothes we wear, the houses we live in, the cars we drive about in—all the necessities and the comforts and the refinements of our existence.

Its resources range from the wheat of Canada—and the Canadian wheat lands are being steadily pushed nearer to the Arctic Circle—to the rubber of the Tropics. Canada's exportable surplus of wheat is equal to Great Britain's imports, and America, making a very wry face about it, has to come to us for rubber.

And all this Empire is connected by ways of communication which are as natural to our people as their own country lanes. I mean the ways of the sea. These are still the best and cheapest means for the transport of goods.



As Commander Bellairs has recently pointed out, New Zealand, reckoned in terms of freight-charges, is only five hundred railway miles from London—nearer by half than Chicago to New York.

Now if, as I hope, I have made you conscious of our resources, you will want to know how we are going to make the best use of all this wealth. How is Empire Free Trade going to help us to use it? Well, I will tell you.

So far I have spoken only of the Empire as a territory in which things can be produced. Now I am going to speak of it as a territory in which things are consumed. It is not only a great farm and a great factory.

It is a great market. Its buying-power is enormous, and can be made more enormous yet.

Now buying-power, effective demand, is the first necessity for the development of wealth.

If you know that what you make is going to be bought in large quantities as soon as it is made, you will be able to make it on a large scale. You will be able to go in for mass production, which means low costs and high wages and continuous employment.

Our aim is simply to concentrate the buying-power of the Empire within the Empire. We want our own manufacturers and farmers to know in advance that this demand will be at their service. Take, for example, the Colonial Empire, with all its tropical and semi-tropical products.

Its production is already enormous in volume, and its importance as a market for manufactured goods is correspondingly enormous. This Colonial Empire can at once be brought into a relation with the rest of the

Empire which will be of incalculable advantage to both sides.

It is rich already. We can make it richer, and in doing so grow richer ourselves.

That is the meaning of Empire Free Trade. We have great sources of production and we have a great market where we may sell what we produce.

Our object is, wherever possible, to lower tariff barriers within the Empire and to keep foreign competition out of this great market. Trade is a fertilizing stream that is as fruitful as the Nile.

We want to conserve the waters of Imperial trade, to keep them from waste, to make them run where they will do most good. And that is what we mean by Empire Free Trade.

But now I ask you to look a little beyond this immediate aim, to see what our project ultimately means.

It means, I believe, the firm and final unification of the British peoples throughout the world.

We had an Empire once, and lost it. Perhaps the time was not right for it. At any rate, it went. That is what is called the Old Empire. When we lost it we set to work and built up another Empire.

There have never been lacking gloomy people who say that we shall lose that too. The Dominions, it is argued, are virtually independent already.

But I believe that the time is ripe for a wholly new kind of Empire, and I believe that the political genius of the British people is capable of establishing it.

Now we have seen, and that very recently, how the Empire unites when it is threatened by war. Can we

not—must we not—unite when we find before us an immense work of peace ?

We control a large part of the earth's surface, a part rich in all the good things which earth offers to humanity. Our great possessions mean great responsibilities. I believe that those responsibilities summon us to unite.

Mankind has not yet won its battle against nature. It has not yet subdued the earth to its will, or wrung from the earth all the safety and all the ease that it needs. My faith is that our race must stand in the forefront of that battle.

The ties of blood and the ties of old habit will make us strong in it, as they make us strong against a foreign enemy. But this will be no work of destruction ; it will be a work of building up, a work worthy of all the best qualities we possess.

It is, as I have told you already, a very great and a very arduous work. But I am sanguine that we shall succeed in it, because I am confident that we shall have the young upon our side.

This is no task for old and tired and habit-ridden minds. It is the young who must set about it. So now I address myself to all of the young who have listened to what I have said. I say to them :

“ If no one else can do this, yet you can. Yours is a goodly heritage. But the goodliest heritage Heaven ever gave to man would be worth nothing without man's care and labour.

“ You must care for it, you must work at it, and the time is now. If you are ready to seize the opportunity, we older people will be willing enough to get out of your way.

“ All you have to do is to come forward and show that you want us to make room for you.

“ Consider well the prospect I have tried to show you. Consider whether it does not deserve all your enthusiasm, all your energy, and—a thing that means as much as these—your faith.”



## APPENDIX III

### THE TRUCE OF 1931

**W**HILE this book is still on the press, important developments have occurred. The death of Sir Laming Worthington-Evans created a vacancy in St. George's, Hanover Square, the guarded shrine of British Conservatism, and the Empire Free Traders declared that they would contest the seat. Before they could name their candidate, Sir Ernest Petter, a well-known engineer and manufacturer, put himself forward as an unofficial Conservative. Sir Ernest's views were so much in sympathy with those of the Empire Free Traders and the United Empire League that both organizations gave him their full support.

St. George's is an unusual constituency, including the richest residential districts, most of the West-end clubs and the foremost streets of luxury shops in London, with a more plebeian quarter in Pimlico attached. But thanks to the extension of the franchise, particularly of the women's vote, the richer residents could easily be out-voted. There are three women electors for every two men (32,918 to 20,996), and domestic servants, possessing votes, heavily outnumber their employers. This fact causes little uneasiness to the party organizers, for servants in large establishments are usually unbendingly Tory. More leaders of class war have been found in the library than in the servants' hall. Tchicherin is a noble of ancient lineage and Mosley heir to a line of territorial baronets.

The situation at St. George's was not now, however, normal. There were numerous signs of a revolt against

Mr. Baldwin's leadership. Sir James Erskine, a former member, invited to appear before the Executive Committee of the Conservative Association as a possible candidate, told the Committee that while he would support Conservative policy, he would use every legitimate means within the party to secure the retirement of the present leader. Colonel J. T. C. Moore-Brabazon, an earlier candidate, had taken a similar line. In the end, the official organization chose Mr. A. Duff Cooper as its nominee.

Sir Ernest Petter strove to fight the election on the issue of protection and prosperity, and Beaverbrook, who threw himself into the campaign with all his strength, kept Empire Free Trade foremost. The Central Conservative office which rallied all its forces behind Mr. Cooper, ignored these. Mr. Baldwin thundered against the "claim of an insolent and irresponsible plutocracy" to dictate to a great party their leadership and their policy. This developed in a very few days into a campaign against Press dictation.

The brief battle that followed was the most disgraceful known in British politics since the bitterest days of the Home Rule split. It is ironic that in the most aristocratic constituency in England two sections of the aristocratic party should descend to depths that would have been impossible in almost any working-class contest. False charges, foul speech, lies and baseless personal insinuations followed each other hot-foot. Either side accused the other with beginning the personal attacks first; neither would drop them.

The two figures that stood outside this campaign of slander and falsehood were Sir Ernest Petter and

Beaverbrook himself. Sir Ernest Petter is a man to whom such methods are intensely repugnant. He could not have out-slanged his opponents had he tried, for Mr. Duff Cooper is nearly a score of years younger and is an eloquent and forceful orator. Beaverbrook did his utmost to fight on public issues only. When a very foolish attack was made on Mr. Baldwin's private affairs he immediately and emphatically repudiated any sympathy with it. He had from the first days of Mr. Baldwin's leadership maintained that his criticisms were made wholly on public grounds and on public issues. He maintained it still.

The contest at St. George's served to strengthen the case for the earlier corporate separation between the Empire Free Traders and the United Empire League. Lord Rothermere was fighting the battle inside the Conservative party on various issues, Beaverbrook on one alone, Imperial unity. The Rothermere organs raised the question of India, and strove to make it the chief point of the campaign. As electioneering tactics—I am not dealing here with the rights or wrongs of the issue itself—their method of doing so was mistaken and cost Sir Ernest Petter many votes.

Some days before the date fixed for the polling, an official victory was practically certain. A speech by Mr. Baldwin at Queen's Hall stirred up "depths below the lowest deep." When the party leader, in a vitriolic attack on Lords Rothermere and Beaverbrook, compared them to harlots, it seemed that there was no more to be said. Mr. Duff Cooper was returned with a majority of 5,710. When not carried away by battle, Mr. Cooper has the reputation of being a fair, generous and kindly



politician, and he made an appeal to forget the bitterness of the fight, and drop recriminations.

One of the by-results of this contest was to strengthen Beaverbrook's position among a great section of quiet English folk who up to now had suspected him in their hearts as a political self-seeker. When they found him standing up to a losing struggle in the streets and small halls of Mayfair, without shrinking or whimpering, they acquired a new respect for him. When he accepted the result, making no attempt to minimize it, they adjusted their views a little more. St. George's will be found, in the end, to have done Beaverbrook more good than many victories.

But the great surprise was yet to come. Had Mr. Baldwin really meant what his speech said and implied—as so many simple folk assumed—there would have been no course open to him but to cut himself off from the denounced peers once and for ever. But he was evidently talking in a *Pickwickian* sense! A few days after the poll word was whispered that his authorized representative had approached Beaverbrook, asking terms of peace! As Mr. J. A. Spender, a great Liberal editor brought up among other traditions, commented: "The impression . . . made upon ordinary people who are not politicians is simply one of bewilderment. . . . It seemed as if phrases and epithets, which in private life would have serious meaning, counted for nothing when it came to politics."

The Conservative Central Office had won this round, but among the responsible leaders there was little real exultation. They knew the permanent damage Mr. Baldwin's speech had done to their cause. They knew,

too, that the Beaverbrook campaign gave expression to real discontent within the party ranks. From all sides protests were being heard from local organizations against disunion and division. Beaverbrook had been working in close conjunction since the North Norfolk election with the Agricultural party, drawn from the men who have long been the right arm of Conservatism. Mr. Neville Chamberlain, son of Joseph of Birmingham, had every sympathy for the Imperial Trade campaign. He had approached Beaverbrook before, and his official position caused him to play the part of mediator again. Within a few days peace negotiations were renewed. On what terms would the Empire Free Traders co-operate with the Conservative party? Beaverbrook was asked. He consulted his friends and supporters.

Within a week, there were signs of success. Mr. Neville Chamberlain, at a gathering at Birmingham Town Hall on Friday, March 27th, came out with an emphatic declaration :

“ We do not want to have any more such contests as we had in St. George’s. When we look back we see that we have been spending our strength and dissipating energy in fighting one another instead of directing our efforts against the common foe. We are satisfied that the differences which divide us are not fundamenta , but arise largely as a misunderstanding.”

At the same meeting he read a message from Sir Austen Chamberlain that it would be criminal to allow minor differences among themselves to interfere with “ the active prosecution of the movement for the protection of our home market and the cultivation of our Imperial Trade.”

On Sunday the *Observer* stirred political circles afresh

with the announcement of Conservative reunion. Lord Beaverbrook had, it stated, in purposely blunted language, secured pledges of more positive and unconditional action by the Conservative party for promoting both Empire trade and home agriculture. He on his side was willing to recognize the need of greater elasticity and variety of means in securing that end than his original plans embraced. That still remains the best summary of the new pact.

Monday's papers published the terms in full. They were embodied in two letters, the first from Lord Beaverbrook to Mr. Neville Chamberlain :

" I have consistently endeavoured to persuade the Conservative party to press for the greatest attainable measure of Empire Free Trade, or if you prefer, Empire economic unity.

" To this end I would welcome the opportunity of working in agreement with you.

" May I be assured that the programme of the Conservative party, as it stands to-day, proposes to develop a policy of increasing not only manufacturing production but also of increasing wheat and general agricultural production at home, and that it will seek to achieve this policy by the most efficient and practicable method, that is to say, by quotas, prohibition of, or duties on, foreign foodstuffs ?

" It is well known that I hold to the opinion that duties on foreign foodstuffs are the most effective method of dealing with the need for increasing production at home. Nevertheless I recognize that the quota system and prohibitions have advantages in relation to increased production of some foodstuffs in Britain.

" If the Conservative party is prepared at the next election to ask for a mandate to put all, or any, of these

methods into efficient operation in the interests of British agriculture, I, for my part, will do everything I can to help to carry the programme to fulfilment.

"I have consulted some of my prominent friends and supporters, who agree with me that such a policy, offering as it does a sure basis on which we may rebuild prosperity for British agriculture and open up the outer Empire for the extension of Imperial trade, demands every effort and every sacrifice which it is in our power to make.

"The cause is infinitely greater than the quarrel."

The second letter was from Mr. Chamberlain to Lord Beaverbrook :

"I have received your letter with great pleasure.

"I have discussed its terms with Mr. Baldwin, and he authorises me to say that you have correctly stated the present Conservative policy in regard to agriculture. It is his intention to employ for the development of home agricultural production all, or any, of the methods you enumerate, as they may best effect the object aimed at, and to ask the electors for a mandate for that purpose.

"Accordingly, I am glad to think that we shall have the co-operation of yourself and your friends in our task, and I welcome your support."

"End of the Empire Crusade," some newspapers announced. This was a total misreading of the situation. Almost immediately Beaverbrook issued a fresh appeal for funds for the Crusade, and met with a liberal and immediate response. He defined his position in a manifesto published early in April :

"Our plan of campaign changes ; our policy is a fixed star, and we've hitched our wagon to it.

"We have not yet completed the first year of our campaign in the constituencies.

“ Our programme is unparalleled in the history of political movements.

“ We have given life to a cause that twelve months ago was dead.

“ We have brought home to the people of this island, and to the peoples of the whole Empire, the immensity of the resources and markets of this great Commonwealth.

“ We have laid down a programme of future development.

“ We have made Empire Free Trade a real issue and a practical remedy. Our cause has won an immense hold on the hearts of the people. Our large bands of subscribers show us that.

“ It is our responsibility, therefore—and we cannot shirk it—to give the people the opportunity of voting on Empire Free Trade, and we shall not lay down our arms until Empire Free Trade is established by law.

“ Our policy is that of Empire Free Trade combined with protection for British agriculture. We want to increase the flow of trade between Great Britain and the territories comprising the Empire. *We also want to send 500,000 men back to the land in this country.* One hundred thousand men have been obliged to leave the land in the last ten years. There are many thousands of men out of work this winter. *We want fiscal justice for all who live by the land.*

“ We go straight for the goal of duties on foreign foodstuffs without concealment or hesitation, glorying in our cause, believing that we shall thereby achieve not only the unity of the Empire, but the prosperity of British agriculture, and the destruction of the evil of unemployment in this land.

“ We represent that wing of the Conservative party which believes that by constructive action the British Empire can attain an unexampled prosperity. We ask for all who believe with us to support us and enable us to carry our cause to the final victory.”

# INDEX

## A

- Aitken, Hon. Max, 179; on Lord B., 236; portrait opp. page 236  
 Aitken (Sir) Max, *see* Beaverbrook, Lord  
 Aitken, Mrs. William, at son's wedding, 33-4  
 Aitken, Rev. William, 20, 22, 238-9  
*Alberta Tribune*, quoted, 26  
 American War Debt, Baldwin's settlement criticized, 183-5  
*Answers*, 149-50  
 Archibald, Charles, 31  
 Arnold, Lord (Paymaster-General), replies to Lord B. on Empire Free Trade, 200  
 Arts and Letters Club, Toronto, 76  
 Ashton-under-Lyne, 14, 15; state of constituency before 1910 election, 46; election campaign in, 47 *et seq.*; result, 59; Bonar Law speaks at, 83; Aitken offers resign seat, 84 *et seq.*  
 Ashton-under-Lyne *Herald*, quoted, 84 *et seq.*  
 Ysquith, Rt. Hon. H. H. (the Earl of Oxford), and the 1910 election, 13, 45, 106; denies shell shortage, 108; forms Coalition Government, 110; attitude towards Bonar Law, 111-12; overthrown, 113-16; political warfare without private rancour, 117  
 Astor, Major Hon. John, and *The Times*, 143, 171

## B

- Balcarres, Lord, 80  
 Baldwin, Rt. Hon. Stanley, as political backslider, 23; succeeds Bonar Law as Unionist leader, 181; differences with Lord B., 181; and American War Debt,

- 183-5; qualities analysed, 182-3; and 1923 election, 185, 196; Lord B. denies personal vendetta, 186, 223; Lord B. summarises differences between, 186-8, 196; in 1929 election, 188-9, 196; opposition to Empire Free Trade, 199; refers appreciatively to Lord B., 201; confers with Lord B., 202-3; temporary truce, 205; Glemham Park speech, 205; battle renewed, 206; calls party meeting, 206; attack on Lord B. and Lord Rothermere, 207-9; and Canada's offer, 217-18; letter to Lord B., 220-3; Lord B. rejects offer, 223; *The Times* on Baldwin's leadership, 225-6; second party meeting, 226; City of London Conservative Association and, 228  
 Balfour, Lord, 75, 76, 77, 93; movement against, 67; as Conservative leader, 78; announces resignation, 79; campaign over successor, 80 *et seq.*  
 Baxter, A. Beverley, on Lord B. and the *Daily Express*, 179-80; 231 *et seq.*  
 Beaverbrook, Lady, marriage, 33-4; at Ashton-under-Lyne election, 48; at Tariff Reform League dinner, 81; Lord B. on, 87; death, 175; Lord Birkenhead's last tribute, 175; Bonar Law's friendship for, 175; portrait opp. page 174  
 BEAVERBROOK, Lord, boyhood, 20 *et seq.*; enters law office, 25; at Calgary, 26; days of poverty, 29; joins J. P. Stairs, 30; financial triumphs, 31 *et seq.*; Royal Securities Company formed, 31; visits the West Indies, 32-3; marriage, 33; in Montreal, 35 *et seq.*; and Canada Cement Company, 41

Ashton-under-Lyne election, 14 *et seq.*; 47 *et seq.*; 52 *et seq.*; settles in England, 65; knight-hood, 65; maiden speech, 68; revisits Canada, 72; organizes movement for Bonar Law's election to Conservative leadership, 80; offers resign seat, 84 *et seq.*; speech to his constituents, 89

War-time activities, appointed Canadian Eye Witness, 94-6; stories of battles, 94-6, 99 *et seq.*; keeper of Canadian war records, 102; appointed Canadian war representative at the front, 104; and the shell shortage, 108 *et seq.*; resents Asquith's treatment of Bonar Law, 112; arranges meeting between Bonar Law and Lloyd George, 113-16; Asquith administration overthrown, 116; made baronet, 117; receives peerage with title Baron Beaverbrook, 117

Becomes Minister of Propaganda, 120 *et seq.*; relations with Lloyd George (*see under* George, Lloyd)

Abandons financial career, 118; enters Fleet Street (*see under Daily Express*); acquires control of *Evening Standard*, 172; relations with Viscount Rothermere (*see Rothermere, Lord*); and with the *Morning Post* (*see under Morning Post* and Gwynne, H. W.)

Launches Empire Crusade (*see under Empire Crusade*); public differences with Mr. Baldwin (*see under Baldwin, Rt. Hon. Stanley*)

Speeches, at Ashton-under-Lyne election, 1910, 52; maiden speech in Commons, 68-72; before Welwyn Summer School, 212-15; House of Lords, November 19th, 1929, 247-69; broad-

cast talk, November 27th, 1930, 271-9

Books, *Success*, 39-40; *Canada in Flanders*, 103-4

Business methods, 30, 38, 39; rules for success, 40, 118-20; oratory, 49, 63, 67-8, 211, 238; health, 84-6, 92, 136, 218; some personal characteristics, 229 *et seq.*; Lord Northcliffe's forecast, 14; an appreciation in 1910, 18-19; Lord Rothermere's appraisal, 239; his idealism and enthusiasm, 238 *et seq.*

Bell, Moberly, 152

Bellairs, Commander, 276

Bennett, Arnold, at the Ministry of Information, 124; and the *Evening Standard*, 173

Bennett, Rt. Hon. R. B., Prime Minister of Canada, in Calgary, 26, 28-9; travels with Lord B., 72; at the Imperial Conference, 1930, 216; tells Canada's offer, 216; Lord B. on, 218-19

Berry, Sir Gomer, 172

Beveridge, Sir William, replies to Lord B.'s broadcast speech, 68

Birchall, Lieut.-Col. A. P., 101

Birkenhead, Lord, at Ashton-under-Lyne, 55; with Lord B. in Canada (1912), 72, 80; controls war publicity, 95; and Ireland, 168; on Lady Beaverbrook's death, 175

"Black and Tans," the, 167

Blumenfeld, Ralph D. (Editor of the *Daily Express*), 141 *et seq.*

Booth, General, 19

Borden, Sir Robert, 97; writes introduction to *Canada in Flanders*, 103

*British Empire Review*, quoted, 200

Brown, Sir George MacLaren, 194  
Buckingham Palace Conference, failure of, 92

Buckland, Lord, 172

Buxton, Lady Noel, and North  
Norfolk by-election, 210-11  
Byas, H. F., 14

## C

Cadbury, Henry, 143  
Calgary in 1897, 26-8  
Calvinism and character, 22  
Camrose, Lord, 172  
Canada Cement Company, formed,  
41; Sir Sandford Fleming  
resigns office and attacks, 42;  
Lord B.'s defence, 43-4; effect  
on Canadian opinion, 65; gossip  
in Parliament, 77; F. Jones'  
management of, 178  
*Canada in Flanders*, 103  
Canadian Army Corps, formation of,  
94; story of, 96 *et seq.*  
*Canadian Courier*, quoted, 38  
Canadian store cattle, controversy  
over, 165 *et seq.*  
Carlton Club, 79; Bonar Law at,  
82; suggestion Lord B. resigns  
membership, 166  
Carson, Lord, 75, 79; and Home  
Rule, 83, 92; and Department of  
Information, 123  
Chamberlain, Neville, at Empire  
Industries Association, 199; be-  
comes Chairman National Union  
Conservatives, 206  
Chamberlain, Rt. Hon. Joseph, and  
tariff reform, 198, 200, 247;  
Sir A. Pearson and, 140  
Chamberlain, Sir Austen, 75; and  
successor to Lord Balfour, 79 *et  
seq.*; speech at Tariff Reform  
League dinner, 81; Secretary for  
India, 111; resigns Chancellor-  
ship, 169  
Chaplin, Milne, Grenfell & Co., 41  
Churchill, Rt. Hon. Winston, re-  
fused hearing at Lincoln, 13; at  
the Admiralty, 93, 106; quarrel  
with Fisher, 106, 109-10; Con-

servative vendetta, 110; Aitken's  
sympathy for, 110; Murmansk  
expedition, 165; and Ireland,  
168; renews friendly relations  
with Lord B., 204  
Cinemas, as Propaganda, 120, 127-8  
Clarke, Tom, 147  
Cobb, Mr. (Minister of Commerce,  
New Zealand), quotation from,  
253-4  
Cobb, Sir Cyril, 210  
Cook, T. A., and North Norfolk  
by-election, 211  
Coop, Councillor G. H., 87 *et  
seq.*  
Cosgrave, President, 169  
de Courville, A., 235  
Critchley, Brigadier-General, at  
East Islington, 227  
Cunliffe-Owen, Sir Philip, 127  
Currie, General Sir Arthur, 97, 102

## D

*Daily Chronicle*, 146  
*Daily Express*, religion in, 23; Lord  
B. acquired small interest, 41;  
founded by Sir A. Pearson, 140-1;  
R. D. Blumenfeld and, 141-2;  
Lord B.'s methods, 144-5; prob-  
lems and progress, 162 *et seq.*;  
and *Daily Mail* Trust, 163-4;  
political policy, 165 *et seq.*; and  
Irish Home Rule, 168; friendly  
battle with *Daily Mail*, 173-4;  
Lord B. announces retirement,  
176; and gives account of his  
stewardship, 176 *et seq.*; finance,  
176-7; Hon. Max Aitken given  
control, 179; Lord B.'s con-  
tinued influence, 179-80; and  
Mr. Baldwin, 188; Lord B.'s  
article on Empire Crusade, 197-9  
*Daily Herald*, 174  
*Daily Mail* welcomes Max Aitken,  
14, 19; and Balfour's successor,  
79; Sir A. Pearson's attempted



rivalry, 140-1; R. D. Blumenfeld and, 141-2; *Daily Express* competes with, 146, 173-4; Northcliffe and, 148, 150-1, 157-8; T. Marlowe and, 158, 160-1; finances, 163-4; Lord Rothermere and, 171

*Daily Mirror*, 159

*Daily News*, 143; as *News-Chronicle*, 147; Tom Clarke and, 147

*Daily Telegraph*, 147; under the Berry brothers, 174

Donald, Sir Robert, 122

Drummond, George, on Max Aitken, 51

Drury, General, 33, 48

Drury, Miss Edith, 33

Drury, Miss Gladys (see Beaverbrook, Lady)

## E

Elibank, Lord, intervenes in Beaverbrook - Baldwin quarrel, 202; denies Baldwin's account of interview, 109-10

Empire Crusade, how movement began, 190-1; Lord B.'s opening article, "Who is for the Empire?" 191-3; "A New Project of Empire," 194-7; answer to Mr. Snowden's criticism, 197-9; Mr. Baldwin's opposition, 199; Lord B. speaks in the House of Lords, 200; (for speech see Appendix I, 247 *et seq.*); and broadcasts (Appendix II, 247 *et seq.*); Lord Rothermere co-operates, 202 *et seq.*; battle with Conservative leaders, 202-10; by-elections fought, 210-11, 218, 226-8; Labour Summer School debate, 212-15; Imperial Conference and, 216; negotiations with Mr. Baldwin, 218-25

*Evening News*, acquired by Harmsworths, 150

*Evening Standard*, acquired by Lord B., 172; unique character, 173  
Exshaw Cement Company, 42-3

## F

Fansher, Mr. (Member Canadian House of Commons), 254

Federal Farm Board of America, 265

Ferguson, Sir John, at Twickenham, 199

Fisher, Lord, quarrel with Churchill, 106; resignation, 109

Fleming, Sir Sandford, and Canada Cement Company, 41-2

Forbes, Rt. Hon. G. W., Prime Minister of New Zealand, at the Imperial Conference, 1930, 216

French, Lord, 106; and Lord Kitchener, 107

Fulham, West, election, 210

## G

Gardiner, A. G., 230

George, Rt. Hon. David Lloyd, 93, 225, 234; Northcliffe and, 109; as Minister of Munitions, 112; Aitken arranges meeting with Bonar Law, 113-16; forms war cabinet, 116-17; difficulties over publicity, 120; character, 132-3; cooling relations with Lord B., 133; supported by *Daily Express* in Khaki election, 165; co-operates with Lord B. in Irish settlement, 168; breach with Lord B. over attack on Sir Austen Chamberlain, 169; Baldwin attacks Lloyd George candidates, 209

Germany, Post-War, Lord B.'s articles on, 170

Greenwood, Lord, on the Ministry of Information, 136 *et seq.*

Grey, Lord, remains in Foreign Office, 111  
 Griffith-Boscawen, Sir A., quoted, 76; and Canadian store cattle, 166  
 Gwynne, H. A. (Editor of *Morning Post*), supports Max Aitken, 51; becomes critical, 166; and start of Empire Crusade, 190-1

## H

Hailsham, Lord, attacks Lord B., 227  
 Haldane, Lord, 93  
*Halifax Morning Chronicle*, quoted, 33  
 Harmsworth, Cecil, 143  
 Harvey, Colonel, 184  
 Havenga, Rt. Hon. N. C. (Prime Minister of South Africa), at the Imperial Conference, 1930, 216  
 Hazen, J. D. (Prime Minister of New Brunswick), sends cable of support for Ashton-under-Lyne election, 51  
 Healy, T. M., 92, 167-8  
 Hearst, W. R., 207-8  
 Hoover, President, 66  
 Hughes, Sir Sam, 98  
 Hulton, Sir Edward, 172  
 Hurd, Percy, M.P., describes the Ashton-under-Lyne campaign, 57-8

## I

Imperial Conference, 1930, 216 *et seq.*  
 Information, Department of, started, 121; criticisms of, 121-3; merged into Ministry of Information, 123  
 Inge, Dean, 173  
 Ireland, Conservative fight against Home Rule, 83; Civil War fears,

91-2; Sir Max works for peace, 92; Buckingham Palace Conference, 92; renewed peace campaign, 167; Lord B.'s activities, 167-9, 181; a memorable yacht journey, 169

## J

Jones, Leif, M.P., criticizes Lord B., 125-9  
 Jones, F. W., Manager of Canada Cement Company, 72, 178

## K

Kitchener, Lord, 94; as Minister for War, 106; Northcliffe's campaign against, 109 *et seq.*; death, 113; Cabinet differences over successor, 113-16

## L

Lansdowne, Lord, and the Conservative leadership, 75, 77; and the Coalition Ministry, 111  
 Law, Rt. Hon. Bonar, helps at Ashton-under-Lyne election, 17, 46, 50-1; fights North-West Manchester, 46; friendship with Lord B., 14, 45, 67; character, 75 *et seq.*; speech at Tariff Reform League dinner, 81; becomes Conservative leader, 80, 82; opposition within the Unionist Party, 83; and shell shortage, 108; joins Coalition Cabinet, 111; Asquith's missed opportunity with, 111-12; contributes preface to *Canada in Flanders*, 103; meets Lloyd George at Cherkley, 113-16; joins transformed War Cabinet, 117; defends Lord B. in Commons, 127; and Ireland,

168; becomes Prime Minister, 169; retirement and death, 181; and American War Debt, 183  
 Lidiard, Sir Herbert, and the South Paddington by-election, 218  
 Long, Lord, and the Conservative Party leadership, 75, 79-81  
 Lothian, Marquis of, 212  
 Loughheed and Bennett, Messrs., 26, 28  
 Loughheed, Senator, 26, 28  
 Low, David, 229-30; cartoons by, opp. pages 160, 198, 224

## M

McCarter, Mr., partner of Senator Loughheed, 26  
 McCuaig, Brig.-Gen., G. E., 101-2  
 McCurdy, C. A., M.P., defends Ministry of Information, 130  
 Macdonnell, Sir James, 99  
*McLean's Magazine*, quoted, 231-3  
 MacNeill, Ronald, M.P. (Lord Cushendun), 130  
 MacNeill, Swift, M.P., 130  
 Marlowe, Thomas (Editor of the *Daily Mail*), 147, 158; characteristics, 160-1  
 Masterman, C. F. G., 121  
 Maxton, James, M.P., 213, 214-15  
 Melchett, Lord, 249  
 Middleton, Edgar, 227  
 Ministry for Information, Lord B. invited to take charge, 120; Ministry formed, 123; methods, 123-5; Parliamentary debates on, 125-38; Lord B. resigns office, 134  
 Montreal, Max Aitken's financial campaign in, 35 *et seq.*; and Ashton-under-Lyne, 46; Lord B. buys Montreal High School estate, 72  
*Montreal Daily Star*, quoted, 57, 59 *et seq.*

*Morning Post*, quoted, 67, 147; and the Dudley election, 166; and Lord B., 190-1

## N

National Liberal Club, Lord B. speaks at, 211  
*New Age*, Arnold Bennett, in, 173  
 New Brunswick, 20 *et seq.*  
*New Leader*, quoted, 212 *et seq.*  
 Newcastle, New Brunswick, 21, 22; photograph of, opp. page 20  
*News-Chronicle*, 147; growth of, 174  
 Nilder, J. E., 72  
 Norfolk, North, by-election, 210  
 Northcliffe, Viscount, 147; discovers Max Aitken, 14; meets Bonar Law, 79; and the "stomach tax," 83; anticipates the Great War, 93; shell shortage campaign, 107, 109 *et seq.*; in charge of foreign propaganda, 124; and the *Daily Express*, 141; and R. D. Blumenfeld, 142; history and character, 148 *et seq.*; reorganizes *The Times*, 151 *et seq.*; effects of death, 171

## O

O'Connor, T. P., M.P., 230  
 Oxford, Lord (*see* Asquith)

## P

Paddington, South, by-election, 218; result of, 226  
 Parker, Sir Gilbert, M.P., 51, 58, 121  
 Parsons, Major-General Sir Charles and Lady, 34  
 Partridge, Bernard, 166

Pearson, Sir Arthur, starts *Daily Express*, 140; character sketch, 140-1; and *The Times*, 151  
 Pearson, B. F., K.C., 31  
 Perley, Sir George, 98  
*Politicians and the Press*, 230  
*Politicians and the War*, quoted, 113 *et seq.*  
 Portsmouth *Evening Mail*, 150  
 Price and Company, Messrs., bond issue floated, 45  
 Pringle, W., M.P., and Ministry of Information, 129  
*Punch*, 166

## R

Redmond, W., M.P., 93  
 Religion and the Press, 22, 23  
 Repington, Colonel à Court, 95, 107, 109  
 Roberts, Lord, 93  
 Robertson, Field-Marshal, and succession to War Ministry, 116  
 Roosevelt, Theodore, 19  
 Rosebery, Lord, on political consistency, 13  
 Ross, W. B., K.C., 31, 34  
 Ross, D. W., 72  
 Rothermere, Viscount, 143, 147, 158; Lord B.'s cordial relations with, 91; as Air Minister, 160; founds *Daily Mail Trust*, 163; and *The Times*, 171, 173; and the United Empire League, 202-4; attacked by Mr. Baldwin at Caxton Hall, 207-8, 230; on Lord B.'s policy, 239  
 Royal Securities Corporation, founded, 31; transferred to Montreal, 35; Sir Max resigns Presidency, 72

## S

St. John, New Brunswick, 21  
*Saturday Review*, quoted, 203-4

Salisbury, Lord, on Empire Free Trade in the House of Lords, 201; in *The Times* on Empire Free Trade, 205  
 Scott, A. H., contests Ashton-under-Lyne, 46 *et seq.*  
 Scott, MacCallum, M.P., 127  
 Scullin, Mr. (Prime Minister of Australia), at the Imperial Conference, 1930, 216  
 Shackleton, Sir Ernest, 122  
 Shettlestone, by-election, 210  
 Smith (Sir), F. E. (*see* Birkenhead, Lord)  
 Snagge, Sir Harold, 127  
 Snowden, Rt. Hon. Philip, M.P., Lord B. replies on Empire Free Trade, 197-8  
 Social Reform, Lord B. on, 52  
*Socialism in our Time*, 215  
 Spurgeon, Sir Arthur, 122  
*Standard*, wreck of, 140-1  
 Stairs, James A., 33  
 Stairs, John P., 30-1, 33  
*Success*, (Lord B.'s book), published, 39-40; quoted, 40  
*Sunday Express*, religion in the, 23; started, 162; Lord B.'s articles on Empire Free Trade, 191 *et seq.*  
 Swaffer, Hannen, on Lord B., 233 *et seq.*

## T

Tariff Reform, Lord B. on, 53-4  
 Tariff Reform, reviewed by Lord B. at the I.L.P. summer school, 214  
 Tariff Reform League Dinner on day of Mr. Asquith's resignation, 80 *et seq.*  
 Taylor, Vice-Admiral, M.P., Empire campaign at South Paddington, 218  
 Thomas, Rt. Hon. J. H., M.P., at the Imperial Conference, 1930, 216  
 Thompson, E. R., 173

*Time and Tide*, on Lord B., 231  
*Times, The*, and Balfour's successor,  
 79; leads protest against sup-  
 pression of war news, 95;  
 Colonel Repington's dispatch,  
 107, 109; letter from Lord  
 Northcliffe on propaganda, 131;  
 and Lord Northcliffe, 151 *et seq.*;  
 after Lord Northcliffe's death,  
 171; letter from Lord Salisbury  
 on Empire Free Trade, 205;  
 on Mr. Baldwin, 225-6  
*Times Weekly Edition*, 13 *et seq.*  
 Turner, Lieut.-Gen. Sir R. E. W.,  
 V.C., 97  
 Tweedy, Judge Lemuel John, 25

## U

United Empire League, 202, 204

## V

Vroom, Heber, 34

## W

Wallace, Arthur, in the *British  
 Empire Review*, 200  
 Walter family and *The Times*, 151,  
 171  
 War Correspondence in the Great  
 War, 94-6  
 War Propaganda Bureau, 121  
 Ward, Herbert, 149  
 Watson, Lieut.-Gen. Sir David, 97  
 Welwyn Summer School, Lord B.'s  
 speech at, 211-15  
 West Indies, Max Aitken's work in,  
 32, 53, 54; mentioned in maiden  
 speech, 69 *et seq.*  
 Whiteley, H. J., M.P., 46  
*World's Press News*, quoted, 179,  
 236

## Y

Yorston, Dr., 24  
 Ypres, second battle of, Lord B.'s  
 narrative of Canadian fighting,  
 99-102





